



1-1-2011

Google Books Rejected: Taking the Orphans to the Digital Public Library of Alexandria

Giancarlo F. Frosio

Follow this and additional works at: <http://digitalcommons.law.scu.edu/chtlj>



Part of the [Law Commons](#)

Recommended Citation

Giancarlo F. Frosio, *Google Books Rejected: Taking the Orphans to the Digital Public Library of Alexandria*, 28 SANTA CLARA COMPUTER & HIGH TECH. L.J. 81 (2011).

Available at: <http://digitalcommons.law.scu.edu/chtlj/vol28/iss1/3>

This Article is brought to you for free and open access by the Journals at Santa Clara Law Digital Commons. It has been accepted for inclusion in Santa Clara Computer & High Technology Law Journal by an authorized administrator of Santa Clara Law Digital Commons. For more information, please contact sculawlibrarian@gmail.com.

GOOGLE BOOKS REJECTED: TAKING THE ORPHANS TO THE DIGITAL PUBLIC LIBRARY OF ALEXANDRIA

Giancarlo F. Frosio[†]

Abstract

The idea of the Library of Alexandria has powerfully expanded over the centuries, embodying the dream of universal wisdom and knowledge centralized in one single place. Digitization projects, such as the Google books project, are reviving the hope that this dream may come true. Moreover, the ubiquity of the networked environment promises to open access to this über-library to everybody with an Internet connection. Today the entire collection of human knowledge may be only one click away.

Whether the dream of the Library of Alexandria will be achieved by the Google books project is highly debated. Recently, a court decision concluded that perhaps that dream is not within Google's reach at the moment.

In this paper, I will review the Google books project as both an opportunity to discuss the orphan works problem and to examine the copyright strictures impinging on digitization projects. In looking at the Google books litigation, I will investigate the sustainability of Google's fair use defense before delving into the description of the Google books settlement. I will then discuss the recent opinion from the Southern District of New York rejecting the settlement in its present form. I will argue that the Google books settlement is an additional move towards propertization and privatization of culture, although the settlement furthers the public interest as well. In warning against this privatization, I will argue that we need a global effort towards the creation of a World Digital Public Library.

[†] S.J.D. Candidate, Duke University School of Law, Durham, North Carolina; Assistant Director, WIPO-Turin Master of Laws in Intellectual Property, Turin, Italy. J.D., Università Cattolica del Sacro Cuore, Milan, Italy; LL.M., Strathclyde University, Glasgow, UK; LL.M., Duke University School of Law, Durham, North Carolina.

I. INTRODUCTION

The Library of Alexandria never existed as the sole comprehensive center of knowledge. Alexandria had three major libraries: the Royal Library of Alexandria, the library of the *Serapeum* Temple and the library of the *Cesarion* Temple.¹ The Royal Library was a private one for the royal family as well as for scientists and researchers;² the libraries of the *Serapeum* and *Cesarion* temples were public libraries accessible to the people.³ The idea of the Library of Alexandria, however, is a different matter altogether. That idea powerfully expanded over the centuries to embody the dream of universal wisdom and knowledge found in a single place.⁴ Digitization projects, such as the Google books project, are reviving the hope that that dream may come true.⁵ Moreover, the ubiquity of the networked environment promises to open up access to this über-library to everybody with a computer connected to the Internet. Today the entire collection of human knowledge may be only one click away.

Whether the dream of the Library of Alexandria will be achieved by the Google books project is highly debated. Recently, a court decision concluded that perhaps that dream is not within Google's reach at the moment.⁶ In this paper, I will review the Google books project as both an opportunity to discuss the orphan works problem and to examine the copyright strictures impinging on digitization

1. See Norman Longworth & Michael Osborne, *Six Ages Towards a Learning Region – A Retrospective*, 45 EUR. J. EDUC. 368 (2010), available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1465-3435.2010.01436.x/pdf>. See generally JEAN-YVES EMPEREUR, *ALEXANDRIA: JEWEL OF EGYPT* 41 (Jane Brenton trans., Harry N. Abrams, Inc. 2002); LIONEL CASSON, *LIBRARIES IN THE ANCIENT WORLD* 34 (Mary Valencia ed., 1914); EDWARD ALEXANDER PARSONS, *THE ALEXANDRIAN LIBRARY* 71, 72, 359, 360 (The Elsevier Press 1952); H.L. PINNER, *THE WORLD OF BOOKS IN CLASSICAL ANTIQUITY* 51, 52 (Henri Friedlaender ed., & A. W. Sijthoff 1948).

2. See EMPEREUR, *supra* note 1, at 39, 41.

3. See Longworth & Osborne, *supra* note 1, at 368.

4. See Peter S. Menell, *Knowledge Accessibility and Preservation Policy for the Digital Age*, 44 HOUS. L. REV. 1013, 1019-40 (2007) (tracking the history of knowledge accessibility and preservation).

5. See generally Hannibal Travis, *Building Universal Digital Libraries: An Agenda for Copyright Reform*, 33 PEPP. L. REV. 761, 765-84 (2006) (for an early history of public and private digital library projects); June M. Besek, *The Development of Digital Libraries in the United States*, in *GLOBAL COPYRIGHT: THREE HUNDRED YEARS SINCE THE STATUTE OF ANNE, FROM 1709 TO CYBERSPACE* 187, 187-215 (Lionel Bently et al. eds., 2010).

6. See *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666, 669-70 (S.D.N.Y. 2011) (rejecting proposed class action settlement agreement that would have permitted Google to proceed with scanning books without permission of copyright owners).

projects. In looking at the Google books litigation, I will investigate the sustainability of Google's fair use defense before delving into a description of the Google books settlement. I will then discuss the recent opinion from the Southern District of New York rejecting the settlement in its present form.

I will briefly discuss the dysfunctional relationship between copyright, public interest and technological advancement, recently exemplified by the Google books project. I will argue that the Google books settlement is an additional move toward proprietization and privatization of culture, though admittedly furthering public interest as well. This time, privatization involves memory institutions. In warning against this privatization, I will discuss the counterpoising model of digital public libraries whose implementation is discussed in several jurisdictions, especially in Europe where the European Commission has set up the Europeana project.⁷ Comparing the weakness of any national or regional approach against the global approach of the Google books project, I will argue that we need a global effort towards the creation of a World Digital Library.

II. THE "GOOGLE PRINT" LIBRARY PROJECT

Google's mythology tells us that "[i]n the beginning, there was Google books."⁸ In 1996, Larry Page and Sergey Brin worked on a research project at the Stanford Digital Library Technologies Project to develop a "web crawler" to index, retrieve and analyze the metadata connections between books.⁹ That same crawler, called BackRub, eventually inspired the PageRank algorithms of Google's search engine.¹⁰ However, the project was dormant for a few years and revived only in 2002 with the launch of Google's search engine. After testing non-destructive scanning techniques, fixing tricky technical issues, and having exploratory talks with libraries and publishers, Google announced "Google Print" at the Frankfurt Book Fair in October 2004.¹¹ In December 2004, the "Google Print" Library Project began, and shortly thereafter changed its name to

7. *Background*, EUROPEANA, http://www.europeana.com/portal/aboutus_background.html (last visited Sept. 19, 2011) [hereinafter EUROPEANA].

8. *About Google Books*, GOOGLE, <http://books.google.com/googlebooks/history.html> (last visited Oct. 10, 2011).

9. *Id.*

10. *Id.*

11. *Id.*

Google books.¹²

The goal of the Google books project is to make available via the Internet a searchable database of books using the Google search engine technology to provide storage, indexing and retrieval of digital texts scanned from printed volumes.¹³ Technically speaking, the core of the project is a relational database containing the scanned images of books and other publications.¹⁴ An index is built of each word in the scanned text along with its relationship to nearby words.¹⁵ When a user searches the database using keywords, a snippet of the text comprising the keyword sought and a certain number of surrounding words is returned.¹⁶ As originally designed, Google books displayed full text for public domain books, and returned “snippets” in response to search requests for books still in-copyright.¹⁷ Each snippet consists of only a few lines, and only three snippets can be shown per book.¹⁸ Hence, a user can only see 10-15 sentences in response to a particular search request for an in-copyright book. However, as we will discuss later, this initial arrangement has been largely modified in the present version of the project.

The scanning of books is accomplished via two complementary initiatives. First, Google set up a publisher program to seek cooperation and permission of publishers for inclusion of books in the Google books database.¹⁹ Of greater relevance, and for many reasons that will be soon become clear, Google has also established a Library Scanning Program entailing agreements with libraries to gain physical access and scan all or part of the library collections.²⁰ Initially, Google partnered with Harvard, Stanford, Oxford, the University of Michigan, and the New York Public Library to scan their combined collection of over fifteen million books.²¹ Cornell University, Princeton, the University of California, the University of Texas, the University of Virginia, the University of Wisconsin and University Complutense of Madrid joined the program within the next three

12. *Id.*

13. *See id.*

14. *See id.*

15. *See id.*

16. *See id.*

17. *Id.*

18. *What You'll See When You Search on Google Books*, GOOGLE, <http://books.google.com/googlebooks/screenshots.html> (last visited Oct. 10, 2011).

19. *See About Google Books*, *supra* note 8.

20. *See id.*

21. *Id.*

years.²² By the end of 2005, the Google books project was accepting partners in eight European countries: Austria, Belgium, France, Germany, Italy, the Netherlands, Spain, and Switzerland.²³ Today, the Google books interface returns pages in over thirty-five different languages.²⁴ The Publisher program includes thousands of publishers and authors from over one hundred countries.²⁵ The Library program expanded to include several international partners such as: the National Library of Catalonia, University Library of Lausanne, Ghent University Library, Keio University Library, the Austrian National Library, the Bavarian State Library, and the Lyon Municipal Library.²⁶

III. ORPHAN WORKS AND DIGITIZATION PROJECTS

To make that dream come true Google had to take the orphan works to the library first. Orphan works are those whose rights holders cannot be identified or located and, thus, whose rights cannot be cleared. Google estimates that one in five books in the Google books corpus is orphaned.²⁷ Estimates suggest that in a typical library collection, less than five percent of all books are in print, 20 percent are public domain, and the remaining 75 percent are out of print or orphaned works.²⁸ Other studies estimate that, out of the 30 million books in U.S. libraries, between 2.8 and 5 million are orphans.²⁹

22. *Id.* See John Edwards, *Princeton's Partnership with Google Books*, PRINCETON UNIVERSITY: IT'S ACADEMIC (Nov. 4, 2009), http://blogs.princeton.edu/itsacademic/2009/11/princetons_partnership_with_google_books.html ("Princeton joined the project in 2006."). See *Library Communications*, CORNELL UNIVERSITY LIBRARY (Aug. 7, 2007), <http://www.library.cornell.edu/communications/Google/> (announcing Cornell's partnership in the Google Book Search Library Project). See *The University of Texas Libraries Partner with Google to Digitize Books*, UNIVERSITY OF TEXAS LIBRARIES (Jan. 19, 2007), <https://www.lib.utexas.edu/about/news/google/> (Announcing the University of Texas' partnership in the broad book digitization project with Google).

23. *Id.*

24. *Id.*

25. *Id.*

26. *Library Partners*, GOOGLE, <http://books.google.com/googlebooks/partners.html> (last visited Aug. 26, 2011).

27. *Competition and Commerce in Digital Books: Hearing Before the H. Comm. on the Judiciary*, 111th Cong. 12 (2009), available at http://judiciary.house.gov/hearings/printers/111th/111-31_51994.PDF (prepared statement of David Drummond, Senior Vice President of Corporate Development and Chief Legal Officer, Google Inc.).

28. Harjinder Obhi, *Google Book Search*, in *GLOBAL COPYRIGHT: THREE HUNDRED YEARS SINCE THE STATUTE OF ANNE, FROM 1709 TO CYBERSPACE* 275, 278-79 (referring in particular to North American library collections).

29. Pamela Samuelson, *The Google Book Settlement as Copyright Reform*, 2011 WIS. L.

According to a recent study published by the European Commission (“Vuopala Study”), a conservative estimate puts the number of orphan books in Europe at 3 million.³⁰ However, others estimate that well over forty percent of all creative works in existence are orphaned.³¹ Another recent study calculated the volume of orphan works in collections across the U.K.’s public sector exceeded 50 million.³² For specific categories of works, such as photographs, the volume of orphaned works is larger.³³ The Gowers Review of Intellectual Property claims that out of 19 million photographs contained within the collections of 70 U.K. institutions, with the exclusion of fine art photographs, the author is known only 10 percent of the time.³⁴

Publishers, film makers, museums, libraries, universities, and private citizens worldwide face daily insurmountable hurdles in managing risk and liability when a copyright owner cannot be identified or located. Too often, the sole option left is a silent, unconditional surrender to the intricacies of copyright law. As a result, many historically significant and sensitive records will never reach the public. By way of example, the U.S. Holocaust Museum spoke of the millions of pages of archival documents, photographs, oral histories, and reels of film that cannot be published or digitized because ownership cannot be determined.³⁵ Deprived of these works, society at large is precluded from fostering a collective understanding of our past. Daily, steadily, small missing pieces of information prevent the completion of the puzzle of human existence.

REV. 479, 524 n.221 [hereinafter Samuelson, *Copyright Reform*] (reporting a *Financial Times* estimate).

30. ANNA VUOPALA, ASSESSMENT OF THE ORPHAN WORKS ISSUE AND COST FOR RIGHTS CLEARANCE 5 (May 2010) (report prepared for the European Commission, DG Information Society and Media), available at http://ec.europa.eu/information_society/activities/digital_libraries/doc/reports_orphan/anna_report.pdf. [hereinafter VUOPALA, ORPHAN WORKS AND RIGHTS CLEARANCE].

31. *Press and Policy*, BRITISH LIBRARY, <http://pressandpolicy.bl.uk/content/default.aspx?NewsAreaId=316> (last visited Aug. 17, 2004).

32. NAOMI KORN, IN FROM THE COLD: AN ASSESSMENT OF THE SCOPE OF ‘ORPHAN WORKS’ AND ITS IMPACT ON THE DELIVERY OF SERVICES TO THE PUBLIC 18 (2009), available at <http://www.jisc.ac.uk/media/documents/publications/infromthecoldv1.pdf> (report prepared for Strategic Content Alliance Collections Trust).

33. *See id.* at 51-53.

34. ANDREW GOWERS, GOWERS REVIEW OF INTELLECTUAL PROPERTY 69 (2006), available at http://webarchive.nationalarchives.gov.uk/+/http://www.hm-treasury.gov.uk/d/pbr06_gowers_report_755.pdf.

35. Marybeth Peters, *The Importance of Orphan Work Legislation*, U.S. COPYRIGHT OFFICE (Sept. 25, 2008), <http://www.copyright.gov/orphan>. *See also* REGISTER OF COPYRIGHTS, REPORT ON ORPHAN WORKS 203 (2006), available at <http://www.copyright.gov/orphan/orphan-report-full.pdf>.

The outrageous predicament of orphan works is a by-product of copyright expansion, the retroactive effects of copyright legislation, and the intricacies of existing copyright law. A study from the Institute for Information Law at Amsterdam University (“IviR”) attributed the increased interest in the issue of orphan works to the following factors: the expansion of the traditional domain of copyright and related rights; the challenge of clearing the rights of all the works included in derivative works; the transferability of copyright and related rights; and the territorial nature of copyright and related rights.³⁶ As a consequence of the temporal extension of copyrights, many works that have been out of print for decades may still be under copyright protection.³⁷ The long out-of-print status of copyrighted work makes it increasingly difficult to clear the rights. In the case of highly perishable cultural artifacts, such as audio and video recordings, the tragic loss to our cultural heritage is even more substantial because old works of great historical value will rot away and be lost forever.³⁸ The filmmaker Kevin Brownlow, who has devoted his career to rescuing silent films, illustrates the extent of this cultural outrage:

Don’t you think it unjust that studios which destroyed their silent films should still own the rights 80 years later? We tried to make a documentary about a lost film that was found in Czechoslovakia. A major Hollywood company, which had produced it but then incinerated it, demanded \$6,000 per minute.³⁹

However, the exact dimensions of the orphan works problem can only be conveyed in relation to the digitization projects. The unfulfilled potential of digitization projects accentuates the cultural

36. P. BERNT HUGENHOLTZ ET AL., THE RECASTING OF COPYRIGHT & RELATED RIGHTS FOR THE KNOWLEDGE ECONOMY 164 (2006) (report to the European Commission, DG Internal Market), *available at* http://www.ivir.nl/publications/other/IViR_Recast_Final_Report_2006.pdf.

37. *See id.* at 165.

38. *See* Brief for American Association of Law Libraries et al. as Amici Curiae Supporting Petitioners, at 28 n.47 *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (No. 01-618), 2002 WL 1059710 (reporting that a large amount of early films in the United States are now forever lost after being forgotten for decades in dusty vaults); *see also* GOWERS, *supra* note 34, at 65 (noting that the inability of the British Library and the other libraries and archives to make archive copies of sound recordings and films even for preservation “raises real concerns for the protection of cultural heritage”).

39. Nigel Kendall, *Google Book Search, Why it Matters*, TIMES ONLINE, Sept. 7, 2009, http://technology.timesonline.co.uk/tol/news/tech_and_web/article6825134.ece; *see also* Travis, *supra* note 5, at 801-02 (“Some major studios have allowed more than eighty percent of feature films made before 1929, and half of all feature films made before 1950, to be irretrievably lost, rather than let anyone copy and preserve them.”).

predicament of orphan works in terms of the lost opportunities and value extracted from the public domain. If the temporal extension of copyright has exacerbated and augmented the dimensions of the orphan works problem, only the acquired capability of digitizing our entire cultural heritage fully unveils the immense loss of social value that orphan works may cause. The barriers to digital archiving under the current law have recently been exposed.⁴⁰ As Professor Travis noted, “licensing chaos” frustrates digital library development, because rights owners are difficult to find; copyrights and transfers are unrecorded; the number of rights to clear is immense; compensation may be prohibitively expensive; and ownership may be ambiguous.⁴¹

The Vuopala Study strongly supports these conclusions. The study gathered responses from twenty-two institutions involved in the digitization of works. The high number of orphan works, together with high transaction costs, may present an overwhelming burden for several digitization projects.⁴² The study concludes that a title-by-title rights clearance can be prohibitively costly and complex for many institutions.⁴³ The social value of digitizing our cultural heritage, in terms of openness and accessibility, may be eradicated by copyright strictures. In this respect, groundbreaking technological advancement, capable of bringing unprecedented cultural exposure to our society, is hindered by an outmoded legal framework. Many scholars believe that a solution to the orphan works problem is urgently needed, noting that “[a]s the problem of orphan works . . . become[s] more acute and threatens to undermine increasing numbers of digitization projects . . . [i]t is hoped that national legislatures in Europe and elsewhere” introduce legislative solutions.⁴⁴

40. See, e.g., Diane Leenher Zimmerman, *Can Our Culture Be Saved? The Future of Digital Archiving*, 91 MINN. L. REV. 989, 997 (2007); Alyssa N. Knutson, *Proceed with Caution: How Digital Archives Have Been Left in the Dark*, 24 BERKELEY TECH. L.J. 437, 437 (2009) (discussing principal liabilities to which digital archives are exposed).

41. See Travis, *supra* note 5, at 805-10.

42. See VUOPALA, ORPHAN WORKS AND RIGHTS CLEARANCE, *supra* note 30, at 4-6, 35-42.

43. *Id.* at 6.

44. Stef van Gompel & P. Bernt Hugenholtz, *The Orphan Works Problem: The Copyright Conundrum of Digitizing Large-Scale Audiovisual Archives, and How to Solve It*, 8 POPULAR COMMUNICATION - INT'L J. MEDIA & CULTURE 61, 70 (2010); see also MIREILLE VAN EECHOU, P. BERNT HUGENHOLTZ, STEF VAN GOMPEL, LUCIE GUIBAULT, & NATALI HELBERGER, HARMONIZING EUROPEAN COPYRIGHT LAW: THE CHALLENGES OF BETTER LAWMAKING 307, 316-17 (Hugenholtz, ed. 2009); Stef van Gompel, *Unlocking the Potential of Pre-Existing Content: How to Address the Issue of Orphan Works in Europe?*, 38 IIC: INT'L REV. INTELL. PROP. & COMPETITION L. 669, 681, 691-702 (2007) [hereinafter van Gompel,

The problems associated with orphan works have been widely discussed in the United States. However, so far no consensus has been reached by Congress to enact orphan works legislation. In 2006, the United States Copyright Office issued a report to address the orphan works problem, suggest solutions, and recommend legislative action.⁴⁵ The suggestions of the Copyright Office's Report were repeatedly incorporated into a series of bills over the past few years.⁴⁶ All of these bills eventually failed.⁴⁷ As discussed below, the recent decision rejecting the Google books settlement calls once again for Congress to fix the orphan works problem, noting that Congress is the only actor empowered to resolve that problem.⁴⁸

In contrast, European institutions have recently shown increased interest in orphan works. The European Commission recognizes the potential loss of social and economic value if the orphan works problem remains unsolved. As the Commission noted, "[t]here is . . . a risk that a significant proportion of orphan works cannot be incorporated into mass-scale digitisation and heritage preservation efforts such as *Europeana* or similar projects."⁴⁹ The digitization of European cultural heritage and digital libraries are key aspects of the i2010 strategy and the recently implemented Digital Agenda of the European Union.⁵⁰ To deal with the economic, legal and technological issues raised by the i2010 strategy, the EU Commission published a Recommendation and created a High Level Expert Group ("HLEG") on the European Digital Libraries Initiative.⁵¹ The Recommendation and the HLEG proposed solutions to the key challenges of digital

Unlocking the Potential of Pre-Existing Content]; MARCO RICOLFI, COPYRIGHT POLICY FOR DIGITAL LIBRARIES IN THE CONTEXT OF THE I2010 STRATEGY 5-7 (2008); HUGENHOLTZ ET AL., *supra* note 36, at 178.

45. See REGISTER OF COPYRIGHTS, *supra* note 35.

46. See Alessandra Glorioso, *Google Books: An Orphan Works Solution*, 38 HOFSTRA L. REV. 971, 979-80 (2010).

47. *Id.* at 980.

48. Authors Guild v. Google, Inc., 770 F. Supp. 2d 666, 685-86 (S.D.N.Y. 2011).

49. *Communication from the Commission: Copyright in the Knowledge Economy*, at 5-6, COM (2009) 532 final (Oct. 19, 2009), available at http://ec.europa.eu/internal_market/copyright/docs/copyright-info/20091019_532_en.pdf. [hereinafter *Copyright in the Knowledge Economy*].

50. See *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Digital Agenda for Europe*, at 3, COM (2010) 245 final/2 (Aug. 26, 2010), available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0245:FIN:EN:PDF> [hereinafter *Digital Agenda*].

51. See *Copyright in the Knowledge Economy*, *supra* note 49, at 5.

preservation: web harvesting, orphan works, and out of print works.⁵² The Copyright Subgroup of the HLEG unanimously concluded that a solution to the issue of orphan works is desirable, at least for literary and audiovisual works.⁵³ Neelie Kroes, European Commission Vice-President for the Digital Agenda, summed up the threat to European cultural heritage:

Look at the situation of those trying to digitise cultural works. Europeana, the online portal of libraries, museums and archives in Europe, is one key example. What a digital wonder this is: a single access point for cultural treasures that would otherwise be difficult to access, hidden or even forgotten. Will this 12 million-strong collection of books, pictures, maps, music pieces and videos stall because copyright gets in the way? I hope not. But when it comes to 20th century materials, even to digitise and publish orphan works and out-of-distribution works, we have a large problem indeed. Europeana could be condemned to be a niche player rather than a world leader if it cannot be granted licenses and share the full catalogue of written and audio-visual material held in our cultural institutions. And it will be frustrated in that ambition if it cannot team up with commercial partners on terms that are consistent with public policy and with the interests of right-holders. And all sorts of other possible initiatives, public and private, will also be frustrated.⁵⁴

In response to calls like that of Kroes', a solution for the orphan works problem has been investigated across several different instruments including: harmonization and mutual recognition of the status of orphan works at the national, regional and international level; registries or networks of information to facilitate the identification of rightsholders; and the implementation of other tools including mandatory exceptions, extended collective licenses or guarantee funds.

Harmonization and mutual recognition are the first goals to be

52. *Id.* at 6.

53. MARCO RICOLFI ET AL., REPORT ON DIGITAL PRESERVATION, ORPHAN WORKS, AND OUT-OF-PRINT WORKS. SELECTED IMPLEMENTATION ISSUES 5 (2007), *available at* http://ec.europa.eu/information_society/newsroom/cf/itemlongdetail.cfm?item_id=3366 (follow "1. Report on Digital Preservation, Orphan Works and Out-of-Print Works, Selected Implementation Issues" hyperlink).

54. Neelie Kroes, Vice-President for the Digital Agenda, European Comm'n, Speech at the Forum d'Avignon - Les Rencontres Internationales de la Culture, de l'Économie et des Médias: A Digital World of Opportunities (Nov. 5, 2010), *available at* <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/10/619&format=PDF&aged=0&language=EN&guiLanguage=en> (transcript).

achieved. Séverine Dusollier argues in a similar fashion in the Scoping Study on Copyright and Related Rights and The Public Domain prepared for the World Intellectual Property Organization (“WIPO”):

The issue of orphan works should be dealt with at the international level or at least, a mutual recognition of the status of the orphan work applied in one country should be recognized by other Parties to the Berne Convention (except when identification or location of the author can be solved in this other country). WIPO should also help to set up networks of information about works in order to facilitate the identification of authors of orphan works. This would clarify the protected or unprotected status of orphan works.⁵⁵

A solution to the orphan works problem must also encompass new modes of collecting data to facilitate the identification of rightsholders. First, the lack of metadata embedded in the work is the main cause of the difficulties in locating rightsholders. Because mandatory obligations to provide information on copyright ownership would be at odds with the no-formalities prescription of the Berne Convention, voluntary supply of information has been proposed to ease the orphan works problem.⁵⁶ The measures to improve the provision of rights management information range from encouraging metadata tagging of digital content, to promoting the use of creative commons-like licenses, and encouraging the voluntary registration of rights ownership information in databases established for that specific purpose.⁵⁷

Correspondently, many projects aim at increasing the supply of rights management information to the public, merging unique sources of rights information, and establishing specific databases for orphan works. The project ARROW—Accessible Registries of Rights Information and Orphan Works—is a notable European example.⁵⁸ The project includes national libraries, publishers, writers’

55. SÉVERINE DUSOLLIER, SCOPING STUDY ON COPYRIGHT AND RELATED RIGHTS AND THE PUBLIC DOMAIN 71-72 (2010). A very similar position is shared by the High Level Expert Group on the European Digital Libraries Initiative as summed up by Professor Marco Ricolfi, chairman of the Group. RICOLFI, *supra* note 44, at 5-6; *see also* Marco Ricolfi, *Digital Libraries in the Current Legal and Educational Environment: A European Perspective*, in GLOBAL COPYRIGHT: THREE HUNDRED YEARS SINCE THE STATUTE OF ANNE, FROM 1709 TO CYBERSPACE 216, 223-24 (Lionel Bently et al. eds., 2010).

56. *See* van Gompel, *Unlocking the Potential of Pre-Existing Content*, *supra* note 44, at 682.

57. *Id.*

58. *See About Arrow*, ACCESSIBLE REGISTRIES OF RIGHTS INFORMATION AND ORPHAN WORKS, <http://www.arrow-net.eu> (last visited Sept. 2, 2011) [hereinafter *Arrow*].

organizations, and collective management organizations and aspires to find ways to identify rightsholders and determine their rights, clear the status of a work, or confirm the public domain status of a work in Europe.⁵⁹ ARROW aims in particular to support the European Community i2010 Digital Library Project and Europeana.⁶⁰ The project plans to scale up to cover all textual and non-textual print material, eventually including photographic and audiovisual works.⁶¹

Institutional proposals in both Europe and the United States advocate the implementation of a system of diligent search as a defense to copyright infringement. The previously mentioned Report from the United States Copyright Office recommended that Congress enact legislation to limit liability for copyright infringement if the author performed “a reasonably diligent search” before any use.⁶² Additionally, the Copyright Office laid down several suggestions to promote privately-operated registries as a more efficient arrangement than government-operated registries.⁶³ The Copyright Office’s recommendations were included in the Orphan Works Act of 2006, and again in the Orphan Works Act of 2008.⁶⁴ As mentioned earlier, neither bill was adopted into law.

In a very similar fashion, the High Level Expert Group on the European Digital Libraries Initiative has made the following recommendation to tackle the orphan works problem:

Member States are encouraged to establish a mechanism to enable the use of such works for non-commercial and commercial purposes, against agreed terms and remuneration, when applicable, if diligent search in the country of origin prior to the use of the works has been performed in trying to identify the work and/or locate the rightsholders.⁶⁵

59. Arrow Press Dossier, ACCESSIBLE REGISTRIES OF RIGHTS INFORMATION AND ORPHAN WORKS, http://www.arrow-net.eu/sites/default/files/ARROW_Press_dossier_Feb2011.pdf (last visited Sept. 2, 2011).

60. *Id.*

61. Neelie Kroes, Vice-President for the Digital Agenda, European Comm’n, Speech at The International Federation of Reproduction Rights Organisations launch of ARROW+ (Accessible Registries of Rights Information and Orphan Works Towards Europeana), Addressing the Orphan Works Challenge, at 3 (Mar. 10, 2011), available at <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/11/163&format=PDF&aged=0&language=EN&guiLanguage=en> (transcript).

62. REGISTER OF COPYRIGHTS, *supra* note 35, at 95.

63. *Id.* at 103-04.

64. See Christian L. Castle & Amy E. Mitchell, *Unhand That Orphan: Evolving Orphan Works Solutions Require New Analysis*, 27 ENT. & SPORTS L. J. 21 (2009).

65. MARCO RICOLFI ET AL., DIGITAL LIBRARIES: RECOMMENDATIONS AND CHALLENGES

The mechanisms in the Member States must fulfill prescribed criteria: the solution should be applicable to any kind of copyrightable work; a bona fide/good faith user must conduct a diligent search prior to the use of the work in the country of origin; best practices or guidelines specific to particular categories of works should be devised by stakeholders in different fields.⁶⁶ The system should be based on reciprocity so that Member States will recognize solutions in other Member States that fulfill the prescribed criteria.⁶⁷ As a result, material that is lawful to use in one Member State would also be lawful to use in another.

The HLEG has also sponsored a Memorandum of Understanding on Orphan Works, a form of self-regulation adopted by 27 stakeholders' organizations representing European right holders and cultural institutions.⁶⁸ They agreed to observe a set of diligence guidelines when searching for rightsholders and that a work can only be considered orphaned if certain criteria, including documentation of the process, were met without finding the rightsholders.⁶⁹

Several other solutions to the orphan works problem have been investigated and evaluated. For example, Canada established a compulsory licensing system to use orphan works.⁷⁰ Under the Canadian system, users can apply to an administrative body to obtain a license to use orphan works.⁷¹ In order to obtain the license the applicant must prove that they have conducted a serious search for the rightsholder.⁷² If the Canadian Copyright Board is satisfied that, despite the search, the rightsholders cannot be identified, it issues the applicant a non-exclusive license to use the work.⁷³ The license will shield the license holder from any liability for infringement.⁷⁴

FOR THE FUTURE 4 (2009), *available at* http://ec.europa.eu/information_society/activities/digital_libraries/doc/hleg/reports/hlg_final_report09.pdf [hereinafter RICOLFI ET AL., HLEG FINAL REPORT].

66. *Id.*

67. *Id.*

68. *Id.*; see also Memorandum of Understanding on Diligent Search Guidelines for Orphan Works, EUROPE'S INFORMATION SOCIETY (June 4, 2008), http://ec.europa.eu/information_society/activities/digital_libraries/doc/hleg/orphan/memorandum.pdf.

69. RICOLFI ET AL., HLEG FINAL REPORT, *supra* note 65, at 4.

70. Copyright Act of Canada, R.S.C. 1985, c. C-42, art. 77; see also van Gompel, *Unlocking the Potential of Pre-Existing Content*, *supra* note 44, at 692.

71. van Gompel, *Unlocking the Potential of Pre-Existing Content*, *supra* note 44, at 692.

72. *Id.*

73. *Id.* at 693.

74. *Id.*

However, the license is limited to Canada.⁷⁵

Other highly inclusive solutions to the orphan works problem include extended collective licensing systems and mandatory exceptions for orphan works. Extended collective licenses are applied in various market sectors in Denmark, Finland, Norway, Sweden, and Iceland.⁷⁶ The system combines the voluntary transfer of rights from rightsholders to a collective society with the legal extension of the collective agreement to third parties who are not members of the collective society.⁷⁷ However, the collective society must first represent a substantial number of rightsholders in a particular category before it can extend the agreement to non-member third parties.⁷⁸ In any event, the legislation in Nordic countries provides rightsholders with the option of claiming individual remuneration or opting out of the system.⁷⁹ Therefore, with the exception of the rightsholders who opt out, the extended collective license automatically applies to all domestic and foreign rights owners, deceased rights holders, in particular where the rightsholder died intestate, and in cases of unknown or untraceable rightsholders.⁸⁰ With an extended collective licensing scheme in place, a user may obtain a license to use all of the works included in a certain category of works, with the exception of the opted-out works.⁸¹ Creators of derivative works will receive the legal certainty that all the orphan works will be covered by the license, with the added benefit that opted-out works are no longer orphaned.

The introduction of a mandatory exception for orphan works is an alternative solution to the orphan works problem. The most comprehensive proposal for an exception to copyright to permit the use of orphan works is outlined in a paper for the Gowers Review by the British Screen Advisory Committee ("BSAC").⁸² This proposal

75. *Id.*

76. *Id.* at 687. See generally Tarja Koskinen-Olsson, *Collective Management in the Nordic Countries*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 257-281 (Daniel Gervais ed., Kluwer Law Int'l 2006).

77. van Gompel, *Unlocking the Potential of Pre-Existing Content*, *supra* note 44, at 687-88.

78. *Id.* at 688.

79. *Id.*

80. *Id.*; see also Daniel Gervais, *The Changing Role of Copyright Collectives*, in COLLECTIVE MANAGEMENT OF COPYRIGHT AND RELATED RIGHTS 28 (Daniel Gervais ed., Kluwer Law Int'l 2006).

81. van Gompel, *Unlocking the Potential of Pre-Existing Content*, *supra* note 44, at 688.

82. *Id.* at 698. See generally BRITISH SCREEN ADVISORY COUNCIL, COPYRIGHT AND ORPHAN WORKS (2006) (paper prepared for the Gowers Review).

would set up a compensatory liability regime. First, to trigger the exception, a person is required to have made “best endeavours” to locate the copyright owner of a work.⁸³ Supposedly “best endeavours” will be judged against the particular circumstances of each case.⁸⁴ The work must also be marked as used under the exception to alert any potential rights owners.⁸⁵ If a rights owner emerges, he is entitled to claim a “reasonable royalty” agreed upon by negotiation, rather than sue for infringement.⁸⁶ If the parties cannot reach agreement, a third party steps in to establish the royalty amount.⁸⁷ The terms of use of the formerly orphaned work would need to be negotiated between the user and the rights owner according to the traditional copyright rules. However, users should be allowed to continue using the work that has been integrated or transformed into a derivative work, contingent upon payment of a reasonable royalty and sufficient attribution.

IV. INTERMEDIATE COPYING AND THE GOOGLE BOOKS LITIGATION

In facing the orphan works problems involved with the realization of the Google books project, Google took a completely different approach from those described above. Because obtaining permission to scan the books would be prohibitive—even determining whether permission is needed would be prohibitive—Google’s solution was to reverse the traditional copyright management rule by setting up an opt-out mechanism. As anticipated, the legal troubles of the project came primarily from its Library Program. Basically, Google advanced the idea that it was fair use to scan books to create a global searchable database.⁸⁸ However, unwilling participants had the opportunity to opt out from the mass scanning program carried out at the partner libraries.⁸⁹ This aggressive business posture has been a common practice for Google since its early days, when they appropriated Overture’s business model, settled the matter, and made Google what it is today.⁹⁰

83. BRITISH SCREEN ADVISORY COUNCIL, COPYRIGHT AND ORPHAN WORKS 37 (2006) (paper prepared for the Gowers Review).

84. *Id.*

85. *Id.*

86. *Id.*

87. *Id.*

88. See Michael R. Mattioli, Comment, *Opting Out: Procedural Fair Use*, 12 VA. J.L. & TECH. 1, 3 (2007).

89. See Kristin Richards, Note, *Evolution in Slow Motion: Opting Into a Digital World*, 29 HASTINGS COMM. & ENT. L.J. 447, 449 (2007).

90. See Steven Hetcher, *The Half-Fairness of Google’s Plan to Make the World’s*

The copyright holders cried out in protest. Copyright holders described the opt-out policy as “contrary to the black letter requirements of the Copyright Act.”⁹¹ They reinforced their position by criticizing the opt-out program for “shift[ing] the responsibility for preventing infringement to the copyright owner rather than the user, turning every principle of copyright law on its ear.”⁹²

In the right holders’ opinion, Google’s legal liability rested on several grounds. Google’s act of scanning a book into the search database, even though Google then displayed only snippets to the public, involved a copying which may infringe the copyright owner’s exclusive rights under the Copyright Act.⁹³ In addition to scanning, Google converted files into a searchable format using Optical Character Recognition (“OCR”) software.⁹⁴ Google also made a copy of each file available for participating libraries.⁹⁵ From a legal perspective, the burden should be on Google to ask permission to perform all of these acts of copying.⁹⁶ According to the copyright holders, it does not matter that Google offers an opt-out option, that being an improper inversion of the statutory copyright management rule.⁹⁷

Nevertheless, a sustainable argument can be made in support of Google’s opt-out mechanism. A legal rule requiring consent from authors for use of protected works may be old-fashioned in our Internet-connected society. The consent rule was conceived in a time of primitive technological development in which it was immaterial whether we could use most of the available content. The application of property rules, liability rules, or inalienability rules should result in the efficient allocation of externalities.⁹⁸ Once we consider the change in reproduction and distribution costs brought by digitalization and the Internet, a cost-benefit analysis may lead to the belief that an

Collection of Books Searchable, 13 MICH. TELECOMM. & TECH. L. REV. 1, 13 (2006).

91. Complaint at 11, *McGraw-Hill Cos., Inc. v. Google, Inc.*, No. 05 CV 8881 (S.D.N.Y. Oct. 19, 2005) [hereinafter *McGraw-Hill Plaintiffs’ Complaint*].

92. Jonathan Band, *The Google Library Project: Both Sides of the Story*, in *PLAGIARY: CROSS-DISCIPLINARY STUDIES IN PLAGIARISM, FABRICATION, AND FALSIFICATION* 8 (2006) [hereinafter *Band, The Google Library Project*], available at <http://quod.lib.umich.edu/cgi/p/pod/dod-idx?c=plag;idno=5240451.0001.002>.

93. See, e.g., *McGraw-Hill Plaintiffs’ Complaint*, *supra* note 91, at 4, 9.

94. See, e.g., *id.* at 9-10.

95. *Id.* at 8.

96. *Id.* at 11.

97. See *id.*; see also Band, *The Google Library Project*, *supra* note 92, at 8.

98. See generally Guido Calabresi & A. Douglas Melamed, *Property Rules, Liability Rules, and Inalienability: One View of the Cathedral*, 85 HARV. L. REV. 1089 (1972).

inversion of the traditional copyright management rule is a more pareto-efficient solution. Authors have largely discussed the impact of the opt-out option, especially as a crucial element that may have a profound impact on our cultural landscape.⁹⁹ Opt-out policies allow for the mass-aggregation of information whose transactional costs would be prohibitive under traditional copyright consent rules.¹⁰⁰ The opt-out mechanism at the backbone of the Google books project, and in particular the arrangement included in the settlement following the litigation, has been seen as a form of “copyright reform.”¹⁰¹

However, as a consequence of the alleged copyright infringement, the U.S. Authors Guild filed a class complaint in September 2005, alleging direct copyright infringement and seeking damages and injunctive relief.¹⁰² Shortly thereafter, on October 19, 2005, the Association of American Publishers, a group of publishers including McGraw-Hill, Pearson, Penguin (USA), Simon & Schuster and John Wiley also filed suit against Google.¹⁰³ The publishers did not seek damages from Google. Instead, they requested injunctive relief and an order requiring Google to delete copies of their works from its servers.¹⁰⁴

In the case brought by authors and publishers against Google, two different actions performed by Google were under scrutiny. On one hand Google copied the full text of books in its database, on the other hand, Google displayed an excerpt of the stored text at the users’ requests. Authors and publishers considered those actions to impinge upon their exclusive rights in copyrighted works provided in § 106 of the Copyright Act.¹⁰⁵

The Google books project challenges the single most prominent issue in the dysfunctional relationship between copyright and digitization: intermediate digital copying.¹⁰⁶ Digitization has

99. See, e.g., Oren Bracha, *Standing Copyright Law on Its Head? The Googlization of Everything and the Many Faces of Property*, 85 TEX. L. REV. 1799, 1802-03 (2007).

100. *Id.*

101. See Samuelson, *Copyright Reform*, *supra* note 29.

102. See Class Action Complaint at 3, *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011) (No. 05-CV-8136-DC) [hereinafter *Google Books Class Action Complaint*].

103. See *McGraw-Hill Plaintiffs’ Complaint*, *supra* note 91.

104. *Id.* at 13-14.

105. See *Google Books Class Action Complaint*, *supra* note 102; *McGraw-Hill Plaintiffs’ Complaint*, *supra* note 91.

106. See, e.g., Gregory C. Padgett, Note, *Intermediate Copying in the Digital Age*, 30 COLUM. J.L. & ARTS 655 (2007); Paul Ganley, *Google Book Search: Fair Use, Fair Dealing and the Case for Intermediary Copying*, 10 J. INTERNET L. 1 (2006) [hereinafter *Ganley, Google Book Search*]; see also Dan L. Burk, *The Mereology of Digital Copyright*, 18 FORDHAM INTELL.

challenged the almost dogmatic principle that any act of copying is an infringement. In this regard, the Google books project became the most prominent case study to test whether copying is always a trigger for infringement in the digital environment. As Lawrence Lessig has opined:

For while it may be obvious that in the world before the Internet, copies were the obvious trigger for copyright law, upon reflection, it should be obvious that in the world with the Internet, copies should *not* be the trigger for copyright law. More precisely, they should not *always* be the trigger for copyright law.¹⁰⁷

Tackling the specificity of the Google books project, Professor Lessig has written that the Congress that drafted modern copyright law “didn’t have Google [Book Search] in mind. By ‘copy’, Congress meant the sort of act that would be in competition with the incentives that copyright law was (fittingly) meant to establish for authors.”¹⁰⁸

Other authors have appropriately pointed out that indexing and categorization are prominent public interest values in the digital environment.¹⁰⁹ Categorization and indexing are indispensable to counter the informational “noise” that may take over the digital environment.¹¹⁰ As a consequence, this public value should be considered in any fair use analysis of intermediate copying performed to set up indexing and categorization services. The goal of minimizing informational overload on the Internet, “makes all the more important a revision of fair use doctrine favoring independent categorization, and a robust misuse defense designed to deter its enemies.”¹¹¹

Setting aside the general considerations just mentioned, whether Google infringed on the rights of authors and publishers depends upon whether Google’s copying of the full text of books in its database and displaying excerpts of the text stored upon a user’s

PROP. MEDIA & ENT. L.J. 711, 736-37 (2008) (discussing the copyright status of the metadata relational database of Google books and arguing that neither disaggregated digitized text nor relational metadata regarding that text constitute a copy of the original text for the purpose of the copyright statute).

107. LAWRENCE LESSIG, *FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY* 140 (2004).

108. Lawrence Lessig, *Google’s Tough Call*, WIRED, (Nov. 2005), available at <http://www.wired.com/wired/archive/13.11/posts.html?pg=8>.

109. See Frank Pasquale, *Copyright in an Era of Information Overload: Toward the Privileging of Categorizers*, 60 VAND. L. REV. 135, 178-81 (2007).

110. See *id.* at 172-73.

111. *Id.* at 194.

request falls within fair use.¹¹² Initially, the applicability of the library exemption, as provided by §108 of the Copyright Act, was discussed, however the commercial nature of the Google books project seems to exclude it in principle.¹¹³

Any fair use decision is generally a close and difficult call. Fair use has been disparaged as “the most troublesome doctrine in the whole of copyright.”¹¹⁴ Additionally, to intensify the complexity of the fair use doctrine analysis, there was no controlling case law that the Google books court could refer to. Section 107 of the Copyright Act lays down four factors to be considered in determining if a use constitutes fair use of a copyrighted work.

The first factor in a fair use analysis is “the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes.”¹¹⁵ No doubt, Google operates for a commercial purpose. In general, as the U.S. Supreme Court noted, the fact that a use is commercial “is a separate factor that tends to weigh against a finding of fair use.”¹¹⁶ Nevertheless, this factor is not decisive but only “one element to be weighed in a fair use enquiry.”¹¹⁷ The transformative nature of the use should also be considered. In such case “the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”¹¹⁸ Therefore, the transformativeness of the use of the digitized books is the pivotal element against which to assess a finding of fair use under the first factor in the Google books case. In this regard, Google has planned to reproduce, from the analog to the digital medium, the world book collection with the purpose of making it a searchable database.

112. See generally Jonathan Band, *Google and Fair Use*, 3 J. BUS. & TECH. L. 1 (2008); Nari Na, Note, *Testing the Boundaries of Copyright Protection: The Google Books Library Project and the Fair Use Doctrine*, 16 CORNELL J. L. & PUB. POL’Y 417 (2007); Steven Hetcher, *The Half-Fairness of Google’s Plan to Make the World’s Collection of Books Searchable*, 13 MICH. TELECOMM. & TECH. L. REV. 1 (2006); Hannibal Travis, *Google Book Search and Fair Use: iTunes for Authors, or Napster for Books*, 61 U. MIAMI L. REV. 87 (2006); Thomas E. Wilhelm, Note, *Google Book Search: Fair Use or Fairly Useful Infringement?*, 33 RUTGERS COMPUTER & TECH. L.J. 107 (2006).

113. See generally Kodj Gbegnon, Note, *Digitized Scholarship and the “Library” Concept: Allowing the History of the Library Exemption to Inform How We View Google’s Digitized Library*, 29 HASTINGS COMM. & ENT L.J. 75 (2006).

114. *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661, 662 (2d Cir. 1939) (per curiam).

115. 17 U.S.C. § 107 (2006).

116. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985).

117. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 572 (1994).

118. *Id.* at 579.

Several U.S. decisions support a finding of fair use and suggest that the Google project is inherently transformative.¹¹⁹ The District Court of Nevada held that a Google caching mechanism qualifies as a fair use of copyrighted material. The court rationalized that:

Because Google serves different and socially important purposes in offering access to copyrighted works through “Cached” links and does not merely supersede the objectives of the original creations, the Court concludes that Google’s alleged copying and distribution of Field’s Web pages containing copyrighted works was transformative.¹²⁰

In another on point case reviewed by the Ninth Circuit, Perfect 10 sued Google for infringing Perfect 10’s copyrighted photographs of nude models.¹²¹ The district court preliminarily enjoined Google from creating and publicly displaying thumbnail versions of Perfect 10’s images.¹²² The Court of Appeals reversed by holding that the operator’s display of thumbnail images of a copyright owner’s photographs was fair use.¹²³ In *Kelly v. Arriba*, the court came to a very similar decision.¹²⁴ The defendant used a software spider to locate photographic images on the Internet.¹²⁵ These images were reduced to thumbnails and stored on defendant’s database, where they could be searched.¹²⁶ In upholding the fair use defense, the Ninth Circuit held that Arriba’s use of thumbnails was “transformative” and did more than merely copy the images.¹²⁷ Because of the transformative function, the court found Arriba’s copying was protected under fair use.¹²⁸ In a very similar fashion, the reduction of digitized books to a searchable database that returns only snippets of text once queried may be the same level of transformativeness found

119. See Kathleen K. Olson, *Transforming Fair Use Online: The Ninth Circuit’s Productive-Use Analysis of Visual Search Engines*, 14 COMM. L. & POL’Y 153 (2009). But see Matt Williams, *Recent Second Circuit Opinions Indicate That Google’s Library Project is not Transformative*, 25 CARDOZO ARTS & ENT. L.J. 303 (2007).

120. Field v. Google, Inc., 412 F. Supp. 2d 1106, 1119 (D. Nev. 2006).

121. Perfect 10 v. Google, Inc., 416 F. Supp. 2d 828 (C.D. Cal. 2006), *aff’d* No. 10-56316 (9th Cir. 2011).

122. See *id.* at 859.

123. Perfect 10, Inc. v. Amazon.com, Inc., 487 F.3d 701, 719-25 (9th Cir. 2007).

124. Kelly v. Arriba Soft Corp., 336 F.3d 811 (9th Cir. 2003); see also Cameron W. Westin, Note, *Is Kelly Shifting Under Google’s Feet? New Ninth Circuit Impact on the Google Library Project Litigation*, 2007 DUKE L. & TECH. REV. 2 (2007).

125. See Kelly, 336 F.3d at 815.

126. *Id.*

127. *Id.* at 818-19.

128. *Id.* at 822.

in *Kelly* and *Perfect 10*. However, a different opinion may be inferred from *UMG Recordings v. MP3.com*.¹²⁹ In *UMG Recordings*, a defendant that copied copyrighted works onto a server, and allowed access to third-party subscribers, was not protected by fair use.¹³⁰ In the *UMG Recordings* case, defendant provided a “space-shifting” service, under which customers who already owned copies of music in CD form could store it on the UMG server.¹³¹ The court held that copying the copyrighted content into the database was not a fair use and, accordingly, constituted copyright infringement.¹³²

Reproduction from one medium to another, such as the scanning and digitization of books into Google’s database, has been discussed by U.S. courts. In general, reproduction in another medium or form may be evidence of transformativeness.¹³³ However, mere reproduction in a different medium should not constitute originality; instead it should require some further element of creativity.¹³⁴ By making the text in question searchable, arguably, Google has provided this additional element. The users may now enjoy the work in an all new way and for a substantially different purpose than the ones originally conceived.

The second factor in the fair use test is, “the nature of the copyrighted work”.¹³⁵ Original creative expression falls within the core of copyright protection. Fictional works are closer to the core of copyright protection than factual based works.¹³⁶ For a project intended to scan the entire world’s book collection, this factor is of little relevancy. In fact, as per the nature of the copyrighted material, almost all the typologies of works will be involved in the project. However, the fact that the vast majority of the works will be non-fiction may weigh in favor of Google, as the Supreme Court has noted that the “law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy.”¹³⁷ In particular, the

129. See *UMG Recordings, Inc. v. MP3.com, Inc.*, 92 F. Supp. 2d 349 (S.D.N.Y. 2000).

130. *Id.* at 350-52.

131. *Id.* at 351.

132. *Id.* at 352-53.

133. See, e.g., *Millworth Converting Corp. v. Slifka*, 276 F.2d 443 (2d Cir. 1960); *Alfred Bell & Co. Ltd. v. Catalda Fine Arts, Inc.*, 191 F.2d 99 (2d Cir. 1951); *Hearn v. Meyer*, 664 F. Supp. 832 (S.D.N.Y. 1987).

134. See, e.g., *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486, 491 (2d Cir. 1976) (citing 1 M. Nimmer, *The Law of Copyright* § 20.2 (1975)); *Hearn*, 664 F. Supp. at 836.

135. 17 U.S.C. § 107 (2006).

136. See *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 563 (1985).

137. *Id.*

mentioned need may be enhanced by the out-of-print status of a large majority of the books included in Google's project.¹³⁸

The third factor in the fair use test is, "the amount and substantiality of the portion used in relation to the copyrighted work as a whole."¹³⁹ As far as the amount and substantiality of the portion used is concerned, the copying of an entire work usually "militates against a finding of fair use."¹⁴⁰ However, although Google does copy entire works, the portion of copyrighted works made available to the public is only a short excerpt. Because Google shows only short snippets, the fact that Google copies entire works may be immaterial to a finding against fair use, as "the extent of permissive copying varies with the purpose and character of the use."¹⁴¹

In this regard, a long line of cases support the view that a substantial amount of copying may fall within fair use if the copying is necessary to access and use the unprotected portion of the work. Most notably, this principle may have found its first application in *Baker v. Selden*.¹⁴² In *Baker v. Selden*, the Supreme Court stated that copyright protection of a book illustrating a system for book-keeping does not extend to the system itself.¹⁴³ In describing the system, Selden used forms, consisting of ruled lines and headings, which Baker reproduced in a substantially similar fashion.¹⁴⁴ Because any person may practice and use the art described in the book, "of course, in using the art, the ruled lines and headings of accounts must necessarily be used as incident to it."¹⁴⁵ In this respect, the Supreme Court appeared to recognize early on that copying of protected material that is incidental to the use of unprotected material does not

138. *Id.* at 553 (citing S. REP. NO. 94-473, at 64 (1975)) (noting that "[a] key, though not necessarily determinative, factor in fair use is whether or not the work is available to the potential user. If the work is 'out of print' and unavailable for purchase through normal channels, the user may have more justification for reproducing it . . .").

139. 17 U.S.C. § 107 (2006).

140. *See, e.g.,* A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1016 (9th Cir. 2001); *Worldwide Church of God v. Phila. Church of God*, 227 F.3d 1110, 1118 (9th Cir. 2000); *Hustler Magazine, Inc. v. Moral Majority, Inc.*, 796 F.2d 1148, 1155 (9th Cir. 1986); *cf. Princeton Univ. Press v. Mich. Document Servs., Inc.*, 99 F.3d 1381, 1389 (6th Cir. 1996) ("Generally speaking, at least, the larger the volume (or the greater the importance) of what is taken, the greater the affront to the interests of the copyright owner, and the less likely that a taking will qualify as a fair use." (citing Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1005, 1122 (1990))).

141. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586-87 (1994).

142. *See Baker v. Selden*, 101 U.S. 99 (1879).

143. *Id.* at 102-104.

144. *Id.* at 100-101.

145. *Id.* at 104.

constitute copyright infringement.¹⁴⁶ Since *Baker v. Selden*, duplicating a copyrighted work to extract unprotected material has been considered fair use in several decisions.¹⁴⁷ In *Nautical Solutions*, the Court reviewed the use of a “robot”, a computer program serving as a web crawler, to extract the hypertext markup language from the web pages of Boats.com and enter data from that copied web page into a database searchable by the public.¹⁴⁸ The court addressed the initial copying of the hypertext as part of the third fair use factor, explaining that “because Yachtbroker.com’s final product—the searchable database—contained no infringing material, the ‘amount and substantiality of the portion used’ is of little weight.”¹⁴⁹

Insomuch as reverse engineering may be considered fair use, in that it gives the public access to works they would not otherwise have had,¹⁵⁰ a similar argument may be applied to the Google project. As described earlier, the service allows the users to search among an immense library of works for a single sentence.¹⁵¹ In the case of copyrighted works, Google may make publicly available only a limited amount of material within the boundaries of fair use of creative works.¹⁵² Additionally, Google puts in place tools to avoid unfair uses of the copyrighted material, limiting users to three occurrences of any particular search term within a single book.¹⁵³ As a result, a sustainable argument can be made that in the case of Google books the copying of the entire work is incidental to operating a search engine.

The fourth factor is the most important element of fair use and

146. See J.H. Reichman, *Computer Programs as Applied Scientific Know-How: Implications of Copyright Protection for Commercialized Universities*, 42 VAND. L. REV. 639, 691, 693 n.288 (1989) (discussing the point in lengthy footnote); see also BENJAMIN KAPLAN, AN UNHURRIED VIEW OF COPYRIGHT 63-66 (1967) (also cited in support by Professor Reichman); Pamela Samuelson, *The Story of Baker v. Selden: Sharpening the Distinction Between Authorship and Invention*, in INTELLECTUAL PROPERTY STORIES (Jane C. Ginsburg & Rochelle Cooper Dreyfuss eds., Foundation Press 2006) (citing Reichman position on the subject).

147. See *Assessment Techs. of WI, LLC v. WIREdata, Inc.*, 350 F.3d 640 (7th Cir. 2003).

148. See *Nautical Solutions Mtkg., Inc. v. Boats.com*, No. 8:02-cv-760, 2004 WL 783121, at 2 (M.D. Fla. Apr. 1, 2004).

149. *Id.* at 4 n.10.

150. See, e.g., *Sony Computer Entm’t. Corp. v. Connectix Corp.*, 203 F.3d 596, 599 (9th Cir. 2000); *Sega Enters., Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1514 (9th Cir. 1992); *Atari Games Corp. v. Nintendo of America, Inc.*, 975 F.2d 832, 843 (Fed. Cir. 1992).

151. See About Google Books, *supra* note 8.

152. *What You’ll See When You Search on Google Books*, GOOGLE, <http://books.google.com/googlebooks/screenshots.html> (last visited Oct. 13, 2011).

153. Band, *The Google Library Project*, *supra* note 92, at 10.

looks at “the effect of the use upon the potential market for or value of the copyrighted work.”¹⁵⁴ The publishers claim an “adverse impact on the potential market for Publishers’ books.”¹⁵⁵ The publishers argue that they have “developed and are continuing to develop various means of making electronic copies of their own works available consistent with their exclusive rights under copyright” and cite the Open Content Alliance as an example of this.¹⁵⁶ However, there are strong arguments in Google’s defense. In fact, it is arguable that there are negative effects on the primary market for publishers. The products offered, excerpts and books, are inherently different. The *de minimis* amount of copyrighted material made available through the searchable database hardly reduces demand for the original books. On the contrary, Google books would likely have a positive effect on the publishers’ market, increasing the demand for their books.¹⁵⁷ Additionally, the market relevance of the project is questioned altogether by some authors, noting that “[a]s a resource primarily for scholars or librarians, Google Library is much less significant in market terms, and therefore should be less offensive in copyright terms, than if it is primarily a consumer resource.”¹⁵⁸

As noted by the *Field* court, “[t]he Copyright Act authorizes courts to consider other factors than the four non-exclusive factors.”¹⁵⁹ Through the decades, a fifth factor has emerged out of consolidated judicial review in the United States. By this fifth factor, any finding of fair use should be tested against a public interest argument that is rooted in the intellectual property clause of the U.S. Constitution. Accordingly, constitutional arguments and favor for progress and dissemination of creative works consistently weigh in favor of projects like Google books. As Professor Peter Menell noted:

Given the dramatic benefits of digital archiving and search technology, courts should not become mired in overly mechanical

154. 17 U.S.C. § 107 (2006); *see also* Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 566 (1985).

155. *See* McGraw-Hill Plaintiffs’ Complaint, *supra* note 91, at 12.

156. *See* McGraw-Hill Plaintiffs’ Complaint, *supra* note 91, at 3.; *see also* Ganley, *Google Book Search*, *supra* note 106, at 6.

157. *See* Kinan H. Romman, Comment, *The Google Book Search Library Project: A Market Analysis Approach to Fair Use*, 43 HOUS. L. REV. 807, 834-839 (2006).

158. Michael J. Madison, *Information Governance*, 25 J. MARSHALL J. COMPUTER & INFO. L. 673, 679 (2009).

159. *Field v. Google, Inc.*, 412 F. Supp. 2d 1106, 1122 (D. Nev. 2006); *see also* David Cook, Note, *Searching For Answers In A Digital World: How Field v. Google Could Affect Fair Use Analysis in the Internet Age*, 11 SMU SCI. & TECH. L. REV. 77, 82 (2007).

application of the fair use factors. Rather, they should recognize that liberal construction of the fair use privilege serves to facilitate the creation of the greatest collection of knowledge in the history of humankind. Few innovations since the printing press hold as much promise for promoting progress in science and the useful arts.¹⁶⁰

The public interest argument emerges repeatedly throughout the centuries when courts have considered the proper balance between public and private interest in copyright-related matters. In *Sony v. Universal Studios*, the Supreme Court called for the proper balance between protecting the rights of authors to promote creative production, and a democratic society's need for access to information and "the free flow of ideas, information, and commerce."¹⁶¹ In *Twentieth Century Music Corp. v. Aiken*, the Supreme Court recognized public interest as the ultimate purpose of copyright protection.¹⁶² The wording of the Supreme Court in *Aiken* seems to perfectly apply to the case of Google books and similar digitization projects. In the opinion of the *Aiken* Court copyright law must be construed by taking into consideration public interest, especially when technological advancement has made its provisions ambiguous:

The limited scope of the copyright holder's statutory monopoly, like the limited copyright duration required by the Constitution, reflects a balance of competing claims upon the public interest: Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts. The immediate effect of our copyright law is to secure a fair return for an "author's" creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of this basic purpose.¹⁶³

In *Fox v. Doyal*, the Supreme Court reminded again that "[t]he sole interest of the United States and the primary object in conferring the monopoly lie in the general benefits derived by the public from the labors of authors."¹⁶⁴ The public interest rationale of copyright law has, however, even more profound roots that reach the dawn of

160. Menell, *supra* note 4, at 1070.

161. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).

162. *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975).

163. *Id.*

164. *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127 (1932).

copyright analysis. In fact, this long line of Supreme Court opinions dates all the way back to the powerful statement of Lord Mansfield in *Sayre v. Moore*:

[W]e must take care to guard against two extremes equally prejudicial; the one, that men of ability, who have employed their time for the service of the community, may not be deprived of their just merits, and the reward of their ingenuity and labour; the other, that the world may not be deprived of improvements, nor the progress of the arts be retarded.¹⁶⁵

V. THE GOOGLE BOOKS SETTLEMENT, OBJECTIONS, AND AMENDED SETTLEMENT

In part to avoid all the uncertainties of a decision over fair use, the parties decided to settle the matter. After three years of litigation, and two years of negotiations, the authors, publishers, and Google announced a settlement on October 28, 2008.¹⁶⁶ As anticipated, the settlement was rejected by the District Court of Southern New York, as a result of several opposition briefs filed by interested parties.¹⁶⁷

The Google settlement must be approved by the court, because it is a class action litigation, binding an indefinite number of parties with its terms.¹⁶⁸ The court had to weigh whether the settlement was fair to all class members.¹⁶⁹ To influence the decision of the court, class members and interested parties filed briefs manifesting their objections or support of the settlement. The initial deadline for filing comments was September 8, 2009, at which time over 400 class members and interested parties (“amici” or “amicus curiae”) had filed briefs.¹⁷⁰ This first round of objections propelled a second amended settlement, whose deadline for objections expired on January 28, 2010.¹⁷¹ The amended settlement was then rejected on March 22,

165. *Sayre v. Moore*, (1785) 1 East 361 (K.B.) (Lord Mansfield).

166. *See* Settlement Agreement, *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011) (No. 05-CV-8136-DC).

167. *See* *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666, 671 (S.D.N.Y. 2011).

168. *See* FED. R. CIV. P. 23(e).

169. *Id.*

170. *See* Brandon Butler, *The Google Book Settlement, Who Is Filing and What Are They Saying*, ASS’N OF RESEARCH LIBRARIES (Sept. 28, 2009), <http://www.arl.org/bm~doc/googlefilingcharts.pdf>.

171. Order Granting Preliminary Approval of Amended Settlement Agreement at 4, 6, *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011) (No. 05-CV-8136-DC) [hereinafter ASA Preliminary Approval Order]; *see also* Amended Settlement Agreement, *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011) (No. 05-CV-8136-DC) [hereinafter Amended Settlement Agreement].

2011.¹⁷² However, as I will discuss later, the settlement is likely to survive in one form or another.

The objections tackled copyright concerns, privacy, users' concerns, and competition concerns. Nonetheless, the number of filings supporting the settlement as pro-users was considerable.¹⁷³ Filing parties in this group argued that the settlement would expand access to books, especially for underserved communities such as rural areas, small colleges, and the disabled.¹⁷⁴

A large number of filings argued that the settlement was anti-competitive and would have given Google an unfair advantage in the search, bookselling or book scanning market.¹⁷⁵ The Open Book Alliance was formed with the specific end of exposing the anti-competitive underpinnings of the settlement.¹⁷⁶ In particular, the United States Department of Justice ("DoJ") filed a Statement of Interest on September 19, 2009 arguing that the settlement did not meet important legal standards, as to be later reviewed.¹⁷⁷

The amended settlement has largely implemented the modifications proposed by the DoJ in order to tackle the most relevant anti-competition concerns. Copyright concerns, in contrast, were harder to address, because the circumvention of the traditional scope of copyright protection lies at the backbone of the Google books project.¹⁷⁸

172. *Authors Guild*, 770 F. Supp. 2d at 669-70.

173. See Butler, *supra* note 170, at 3.

174. *Id.* at 3 n.10.

175. See, e.g., Eric M. Fraser, *Antitrust and the Google Books Settlement: The Problem of Simultaneity*, 2010 STAN. TECH. L. REV. 4 (2010), available at <http://stlr.stanford.edu/pdf/fraser-antitrust-and-google-books.pdf>; Randal C. Picker, *The Google Book Search Settlement: A New Orphan-Works Monopoly*, 5 J. COMPETITION L. & ECON. 383 (2009). But see Mark A. Lemley, *An Antitrust Assessment of the Google Book Search Settlement*, AMI TIJDSCHRIFT VOOR AUTEURS, MEDIA & INFORMATIERECHT 55 (2010); Jerry A. Hausman & J. Gregory Sidak, *Google and the Proper Antitrust Scrutiny of Orphan Books*, 5 J. COMPETITION L. & ECON. 411 (2009).

176. Mission Statement, OPEN BOOK ALLIANCE, <http://www.openbookalliance.org/mission/> (last visited Oct. 16, 2011). The alliance includes Internet Archive, New York Library Association, American Society of Journalist and Authors, Science Fiction and Fantasy Writers of America, Microsoft, Yahoo, and Amazon. Members, OPEN BOOK ALLIANCE, <http://www.openbookalliance.org/members/> (last visited Oct. 16, 2011).

177. See, e.g., Statement of Interest of the United States regarding Proposed Class Settlement, *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011) (No. 05-CV-8136-DC) [hereinafter DoJ Statement], available at <http://www.justice.gov/atr/cases/f250100/250180.pdf>; Christopher A. Suarez, Comment, *Continued DOJ Oversight of the Google Book Search Settlement: Defending Our Public Values and Protecting Competition*, 55 N.Y.L. SCH. L. REV. 175, 179 n.24 (2010-11).

178. See generally James Grimmelman, *How to Fix the Google Book Search Settlement*,

Scope of the Settlement

The settlement largely departed from the original Google books project. In fact, the Google books settlement goes far beyond a traditional settlement by envisioning a new business partnership between the parties, backed up by the implementation of a new business model for selling and distributing digital literary works over the Internet. The settlement creates a mechanism for Google to continue including books in its search index in exchange for payment to the owners.¹⁷⁹

The DoJ noted that the original version of the Settlement did not satisfy Rule 23 of the Federal Rules of Civil Procedure (“Rule 23”) governing class actions regarding representation and scope of the relief.¹⁸⁰ In the DoJ’s opinion, the most forward looking business arrangements, which authorized the Book Right Registry (“Registry”) to license the copyrighted works of absent class members for unspecified future uses, were “far afield from the facts alleged in the Complaint.”¹⁸¹ In particular, “the rights conferred are so amorphous and malleable that it is difficult to see how any class representative could adequately represent the interests of all owners of out-of-print works (including orphan works).”¹⁸²

The DoJ continued by noting that the parties have not demonstrated that the class representatives adequately represent absent class members, especially owners of orphan works and foreign rightsholders.¹⁸³ The settlement pits the interests of one part of the class, known rightsholders, against another part, orphan works rightsholders; because the Registry and registered rightsholders will benefit at the expense of rightsholders who fail to come forward to claim their profits.¹⁸⁴ Additionally, many of the foreign authors are not members of the Authors Guild or the Association of American Publishers which denies membership to foreign authors.¹⁸⁵ “Moreover, the interests of these class members likely differ from

12 J. INTERNET L. 1 (2009).

179. See Obhi, *supra* note 28, at 280-84 (for a general description of the settlement); Christian Sprang, *Problem or Solution? Mass Digitisation of Library Stocks and the Google Book Settlement*, in GLOBAL COPYRIGHT: THREE HUNDRED YEARS SINCE THE STATUTE OF ANNE, FROM 1709 TO CYBERSPACE 285, 289-90 (Lionel Bently et al. eds., 2010).

180. See DoJ Statement, *supra* note 177, at 4-16.

181. See *id.*, at 6-8.

182. *Id.*

183. See *id.* at 8-12.

184. See *id.* at 9-10.

185. See *id.* at 11-12.

those of the class representatives.”¹⁸⁶ Thus, the parties did not demonstrate that the class included representation sufficient to protect the interests of foreign authors.

Therefore, to respond in part to these concerns, the notion of class has been restricted in the amended settlement.¹⁸⁷ The original version of the settlement applied to a very large class, encompassing all entities who owned a copyright interest in books, including foreign authors and publishers, whose rights were implicated by a use authorized under the settlement.¹⁸⁸ The insurmountable copyright concerns; the many objections coming from civil law countries; and the objections in terms of class representation raised by the DoJ, convinced Google to narrow the international scope of the settlement. As revised, the settlement will only include books that were either registered with the U.S. Copyright Office or published in the U.K., Australia, or Canada.¹⁸⁹

The settlement only applies to books published as of January 5, 2009.¹⁹⁰ It does not apply to periodicals, diaries and bundles of letters, works primarily used for the playing of music, public domain works and government works.¹⁹¹ Photographs, illustrations, maps, paintings and other pictorial works are also not covered by the settlement, unless the copyright interest is owned by the person owning the copyright of the book containing the works.¹⁹²

The settlement defines “fully participating libraries” as those libraries allowing Google to digitize books in their collections and to which Google provides a “library digital copy,” the set of all digital copies of books in a fully participating library’s collection.¹⁹³ Fully participating libraries must sign an agreement with the Registry.¹⁹⁴ The agreement releases the library from liability for infringement, but highly constrains what the library can do with the digital copy of the book while it is within copyright. A library may use library digital copies to print replacement books; to provide access to people with disabilities; to develop searching tools that display snippets; and read

186. *Id.*

187. *See* Amended Settlement Agreement, *supra* note 171, § 1.13.

188. *See* Settlement Agreement, *supra* note 166, § 1.142.

189. *See* Amended Settlement Agreement, *supra* note 171, § 1.19.

190. *See id.* § 3.1(b)(i).

191. *See id.* § 1.19.

192. *See id.* § 1.75.

193. *Id.* § 7.2.

194. *See id.* § 7.1.

or download up to five pages of the book if it is not commercially available.¹⁹⁵

Business Model

Under the settlement, Google is authorized to continue to digitize books, sell subscriptions to an electronic books database to institutions, sell online access to individual books, sell advertising on pages from books, and to make other uses.¹⁹⁶ Rights granted to Google and participating libraries are granted on a non-exclusive basis.¹⁹⁷ Thus, rightsholders retain the right to authorize any individual or entity to use the rightsholders' work in any way; even including ways identical to Google's or a participating library.¹⁹⁸

In exchange for the use of books that the settlement grants to Google, Google will pay to the class 63% of all revenues received from the uses of books authorized under the Settlement.¹⁹⁹ Additionally, Google will pay a minimum of \$45 million²⁰⁰ for all books digitized without permission before May 5, 2009.²⁰¹ Google will pay at least \$60 per principal work, \$15 per entire insert, and \$5 per partial insert for which at least one rightsholder has registered a claim before March 31, 2011.²⁰² If the total amount distributed is less than \$45 million, the Registry will distribute up to \$300, \$75, and \$25 per principal work, entire and partial insert, respectively. This payment is due to the fact that the copyright holders of books already digitized may have additional claims for copyright infringement for which monetary relief was sought in the lawsuit. Rightsholders whose books have already been digitized do not have the opportunity to direct Google not to digitize their works. The cash payment is a consideration for the release of claims for unauthorized copying.

The DoJ raised several objections related to the consistency of the business model endorsed by the settlement with antitrust law. First, the settlement appears to restrict price competition among authors and publishers by creating an industry-wide revenue sharing

195. *Id.* § 7.2(b).

196. *See id.* § 2.1(a).

197. *Id.* § 2.4.

198. *Id.*

199. *Id.* § 2.1(a).

200. Please note that all dollar amounts are in U.S. Dollars.

201. *See Amended Settlement Agreement, supra* note 171, § 2.1(b).

202. *Id. See also id.* § 13.4.

formula at the wholesale level applicable to all works.²⁰³ Additionally, price competition would be hindered by setting default prices and the effective prohibition on discounting by Google at the retail level, without authorization from the Registry and rightsholders.²⁰⁴ Finally, market competition would be at risk by controlling prices of orphan books by known publishers and authors with whose books the orphan books are likely to compete.²⁰⁵

The settlement may also cause a potential foreclosure of competition in digital distribution, the DoJ noted.²⁰⁶ Competing authors and publishers grant Google *de facto* exclusive rights for the digital distribution of orphan works.²⁰⁷ This is because, although the settlement does not forbid the Registry from licensing those works to others, the Registry would lack the power and ability to license copyrighted books without the consent of the copyright owner, and consent cannot be obtained for orphan works.²⁰⁸ At the same time, Google's competitors are unlikely to obtain those rights independently, having to face the traditional problems with orphan works that Google is seeking to surmount through the settlement.²⁰⁹ In addition "the most favored nation" clause in the settlement discourages potential competitors from trying to enter into digital books distribution because they could not obtain better conditions than Google from the Registry for at least 10 years.²¹⁰

To address the most pressing competition objections, the amended settlement removed the "most favored nation" clause which limited the Registry's licensing of unclaimed works.²¹¹ Thus, the Registry is free to license to other parties on better terms than Google.²¹² In addition, the amended settlement clarifies how Google's algorithm will work in pricing books competitively.²¹³ The algorithm used to establish consumer purchase prices will simulate the prices in a competitive market, and prices for books will be established

203. See DoJ Statement, *supra* note 177, at 19-20 (raising concerns regarding the initial Settlement Agreement).

204. *Id.* at 21-22.

205. *Id.* at 22.

206. *Id.* at 23-26.

207. *Id.* at 23.

208. *Id.*

209. *Id.*

210. *Id.* at 24. See also Settlement Agreement, *supra* note 166, § 3.8(a).

211. See Amended Settlement Agreement, *supra* note 171.

212. *Id.* § 2.4.

213. *Id.* § 4.2(b)(i)(2).

independently of each other.²¹⁴ The agreement also stipulates that the Registry cannot share pricing information with anyone but the book's rightsholder.²¹⁵

Google Books Uses and Services

As mentioned above, Google can make several uses of the books and offer different services. Uses of the books depend upon the classification of books as "commercially available" or "not commercially available" or "in-print" and "out-of-print", referring to whether the book is offered for sale through a customary channel of trade in the United States.²¹⁶ Rightsholders and the Registry can challenge Google's initial classification through the settlement's dispute resolution process.²¹⁷

There are different default rules for uses of in-print and out-of-print books. Google does not have the right to make any display uses of in-print books; Google can only make "non-display uses."²¹⁸ "Non-display uses" are uses that do not display expression from the books, such as bibliographic information, full text indexing, geographic indexing, and algorithmic listing of key terms.²¹⁹ Google has the right to make display uses of all out-of-print books, including the display of snippets,²²⁰ front matter display,²²¹ access uses,²²² and preview uses.²²³

Thus, the settlement creates several services for users. First, an institutional subscription program will enable educational, government, and corporate institutions to purchase time-limited subscriptions to access the content of the institutional subscription database in full or in part.²²⁴ Authorized users can print out up to 20 pages with one command; cut and paste four pages with one command; make book annotations; and provide links to e-reserve or

214. *Id.* § 4.2(c)(ii)(2).

215. *Id.* § 4.2(c)(iii).

216. *Id.* §§ 3.2(d)(i)-(ii).

217. *Id.* § 3.2(d)(iv).

218. *See id.* § 3.3(a).

219. *Id.* § 1.94.

220. *Id.* § 1.147 (displaying up to 3 snippets, each snippet being 3 to 4 lines of text, per search term per user).

221. *Id.* § 1.61 (displaying title page, copyright page, table of contents, other pages appearing before the table, and indexes of the book).

222. *Id.* § 1.1 (including institutional subscription, consumer purchase, and public access service).

223. *Id.* § 4.3 (allowing users to sample a Book prior to making a purchase decision).

224. *Id.* § 4.1.

course management systems.²²⁵ Second, a consumer purchase service will enable individual users to purchase perpetual access to online books.²²⁶ Further, Google will provide public access at libraries and elsewhere, including free public access to the full text of books in the institution subscription database to each public library or higher-education institution that requests it.²²⁷ However, several limitations will apply to public access. Public access service (“PAS”) will be available at one terminal in each public library building (but not federal or school libraries).²²⁸ At community colleges, Google may provide one PAS terminal for every 4,000 full-time students.²²⁹ At four-year colleges, Google may provide one PAS terminal for each 10,000 FTEs.²³⁰ Users may print pages on a per-page fee set by the Registry.²³¹ Users may not cut and paste or annotate books.²³² Finally, additional services offered by Google will include previews, snippets display, and display of bibliographical data.²³³ Google may allow users to sample a book before making a purchase decision. Users will only be allowed to see up to 20% of a book.²³⁴ For fiction books, Google may display up to 5% or 15 pages adjacent to the landing search and the last 5% or 15 pages of the book shall be blocked.²³⁵ Rightsholders may also select a fixed preview option where the pages presented do not depend on the users’ search.²³⁶ Rightsholders will receive revenues from the advertisements on the preview pages.²³⁷ In the snippet display mode, Google may display three to four lines of text from a book, up to three snippets per user, with the rightsholders receiving advertising revenues.²³⁸ In terms of bibliographic information, Google may display a book’s title page, copyright page, table of contents, and index.²³⁹ Only previews, snippets, and

225. *Id.*

226. *See id.* § 4.2.

227. *Id.* § 4.8.

228. *Id.* § 4.8(a)(i)(3).

229. *Id.* § 4.8(a)(i)(2).

230. *Id.* § 4.8(a)(i)(1). FTEs are full time equivalent students. *See id.*

231. *Id.* § 4.8(a)(ii).

232. Attach. I to Amended Settlement Agreement, *supra* note 171, § 9F(1)(c), at 14 [hereinafter Proposed Class Action Settlement Notice].

233. *See What You’ll See When You Search on Google Books*, *supra* note 18.

234. Amended Settlement Agreement, *supra* note 171, § 4.3(b)(i)(1).

235. *Id.*

236. *Id.* § 4.3(b)(iii).

237. Proposed Class Action Settlement Notice, *supra* note 232, § 9F(2), at 15.

238. *Id.* § 9F(3).

239. *Id.* § 9F(4).

bibliographical information are analogous to the services offered by the pre-settlement program.

The settlement decreased the additional revenue models initially provided. The original settlement mentioned other potential commercial uses that the Registry and Google may have agreed upon in the future, including consumer subscriptions, print-on-demand books, custom publishing, PDF downloads, summaries, abstracts or compilations of books.²⁴⁰ The additional revenue models are now limited to print-on-demand, file download and consumer subscription models.²⁴¹ However, rightsholders will be notified of all new uses and will have the opportunity to exclude their books from any of the uses.²⁴²

Finally, the creation of a research corpus would result in significant value to the public. Two centers selected by fully participating libraries will host a set of all-digital copies made in connection to the project.²⁴³ Qualified users may use the research corpus for “non-consumptive research.”²⁴⁴ “Non-consumptive research” involves computational analysis, not reading books for intellectual content.²⁴⁵ The hosting institutions must comply with strict security requirements.²⁴⁶

The Registry

Key to the implementation of the settlement and the new Google books project is the creation of the Book Right Registry. The Registry is intended to manage the copyrights of books; to clarify the copyright status and ownership of out-of-print works by maintaining a database of rightsholders; to collect rightsholders’ contact information; to collect information regarding allowed uses of books; to identify, locate and coordinate payments to rightsholders.²⁴⁷ The creation of the Registry solves the central problem of this enterprise: the transaction costs and uncertainty relating to clearing the rights in millions of out-of-print, in-copyright books. The Registry represents all class members, divided into two subclasses, publishers and authors,

240. See Settlement Agreement, *supra* note 166, § 4.7.

241. See Amended Settlement Agreement, *supra* note 171, § 4.7.

242. *Id.*

243. *Id.* § 7.2(d)(ii).

244. *Id.* § 7.2(d)(iii).

245. *Id.* § 1.93.

246. *Id.* §§ 7.2(d)(iv), 8.1(a)-(b).

247. See *id.* § 6.

including absent members.²⁴⁸ The Registry's board will be divided equally between publishers and authors.²⁴⁹ To fund the establishment and initial operation of the Registry, Google will pay \$34.5 million.²⁵⁰ Thereafter, the Registry will be funded by an administrative fee as a percentage of revenues received from Google.²⁵¹ The Registry will distribute the revenues from the authorized users to the rightsholders in accordance to a plan of allocation and relevant procedures.²⁵²

In order to respond to the objections related to the adequacy of class representation, the amended settlement tackled the management of unclaimed works and funds.²⁵³ The new arrangement requires the Registry to search for rightsholders who have not yet come forward and to hold revenue on their behalf.²⁵⁴ Originally, the settlement provided that revenues from Google that are due to rightsholders who do not register with the Registry or who do not claim their funds within five years after the commencement of the agreement, or within five years after their books are used, were supposed to be used for operational expenses of the Registry and then proportionally paid to rightsholders.²⁵⁵ The settlement now specifies that a portion of the revenue generated from unclaimed works may, after five years, be used to locate rightsholders, but will no longer be used for the Registry's general operations or redistributed to other rightsholders.²⁵⁶ The Registry may ask the court after ten years to distribute these funds to nonprofits benefiting rightsholders and the reading public, and may provide abandoned funds to the appropriate government authority in compliance with state property laws.²⁵⁷ The Registry will now also include a court approved fiduciary who will represent rightsholders of unclaimed books, act to protect their interests, and license their works to third parties, to the extent permitted by law.²⁵⁸

The Opt-Out Policy

Class members had the option to opt out from or remain in the

248. See *id.* § 6.1(a).

249. *Id.* § 6.2(b)(ii).

250. *Id.* §§ 2.1(c), 5.2.

251. Proposed Class Action Settlement Notice, *supra* note 232, § 8B, at 10.

252. Amended Settlement Agreement, *supra* note 171, § 6.1(d).

253. *Id.* § 6.3.

254. *Id.* § 6.3(a)(i)(2).

255. See Settlement Agreement, *supra* note 166, § 6.3(a)(i).

256. See Amended Settlement Agreement, *supra* note 171, § 6.3(a)(i)(2).

257. *Id.* § 6.3(a)(i)(3).

258. *Id.* § 6.2(b)(iii).

settlement.²⁵⁹ Opting out members retain the right to sue Google and libraries participating in the project, for direct and contributory copyright infringement. The opting out period expired on January 28, 2010.²⁶⁰

Remaining parties may opt in or out of specific uses authorized by the settlement. For example, copyright owners can authorize Google to make one or more display uses of in-print books.²⁶¹ There is no time limit to exclude books from any display uses and the exclusion decision can be changed at any time.²⁶² If the rightsholder excludes an out-of-print book from institutional subscription use, that book will also be excluded from individual consumer sales and is not eligible to receive an inclusion fee.²⁶³ Rightsholders will have the right to direct Google not to include any advertising on any pages dedicated to a single book.²⁶⁴

Additionally, any copyright owner may simply request that Google not digitize his or her book or remove the book from the search database, if already digitized.²⁶⁵ However, the removal request must be made before April 5, 2011, although the rightsholders will always be entitled to request exclusion of the books from particular display uses.²⁶⁶

VI. THE SETTLEMENT REJECTED

In March of 2011, Judge Chin delivered the long-awaited decision and rejected the amended settlement.²⁶⁷ Judge Chin's rejection of the Google settlement may have come in part as a surprise. Though many problems with the settlement were noted, many parties, such as the DoJ, emphasized the enormous public value of the Google books project.²⁶⁸ The DoJ remarked that making large numbers of copyrighted works available to the public in electronic form while providing compensation to authors and publishers is a public benefit.²⁶⁹ Additionally, the settlement would open the door to

259. *See id.* § 1.134.

260. ASA Preliminary Approval Order, *supra* note 171, at 4, 6.

261. Amended Settlement Agreement, *supra* note 171, § 3.4(b).

262. *Id.* § 3.5(b)(i).

263. Proposed Class Action Settlement Notice, *supra* note 232, § 8B.

264. Amended Settlement Agreement, *supra* note 171, § 3.5(b)(i).

265. *Id.* § 3.5(a)(i).

266. *Id.* § 3.5(a)(iii).

267. *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666, 669-70 (S.D.N.Y. 2011).

268. *See DoJ Statement*, *supra* note 177, at 1-3.

269. *Id.* at 3.

new research opportunities.²⁷⁰ Further, the rediscovery of currently unused or inaccessible works is an important public policy goal. Significant public value lies in the digitization of those works in formats that are accessible to persons with disabilities.²⁷¹ Finally, the DoJ noted the creation of an independent, transparently operated Book Rights Registry that would serve to clarify the copyright status and ownership of out-of-print works is a welcome development.²⁷²

Nevertheless, the Southern District of New York reasoned that the problems with the settlement outweighed the social benefits. In concluding that the settlement was not fair, adequate, and reasonable, Judge Chin noted:

While the digitization of books and the creation of a universal digital library would benefit many, the ASA [Amended Settlement Agreement] would simply go too far. It would permit this class action—which was brought against defendant Google Inc. (“Google”) to challenge its scanning of books and display of “snippets” for on-line searching—to implement a forward-looking business arrangement that would grant Google significant rights to exploit entire books, without permission of the copyright owners. Indeed, the ASA would give Google a significant advantage over competitors, rewarding it for engaging in wholesale copying of copyrighted works without permission, while releasing claims well beyond those presented in the case.²⁷³

The District Court opinion reviewed one by one all the objections raised by the class members and interested parties: adequacy of the class notice; adequacy of the class representation; scope of relief under Rule 23; copyright concerns; antitrust concerns; privacy concerns; and international law concerns.²⁷⁴ While affirming adequate class notice,²⁷⁵ the opinion concluded that the settlement did not adequately represent the interest of academic authors,²⁷⁶ foreign

270. *Id.* at 1.

271. *See id.* at 26.

272. *Id.* at 1-2.

273. *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666, 669-70 (S.D.N.Y. 2011).

274. *Id.* at 673-74.

275. *Id.* at 676.

276. *Id.* at 679. *See also* Pamela Samuelson, *Legally Speaking: The Dead Souls of the Google Book Search Settlement*, COMMUNICATIONS OF THE ACM, July 2009, at 28. (the American Association of University Professors, spearheaded by Professor Pamela Samuelson, expressed concern that the interests of academic rightsholders, including the greatest possible access to out-of-print works of others and the widest possible availability of their own out-of-print works, may not be represented by the Registry if it places too much emphasis on maximizing profits for commercial rightsholders).

rightsholders,²⁷⁷ and rightsholders who do not come forward to register.²⁷⁸

Adequacy of the class representation is a central issue of the Google books settlement. Whether the plaintiffs are representative of the entire class is a precondition for finding the settlement unfair on other grounds including consistency with copyright and antitrust law. In this respect, the settlement is attempting to circumvent the orphan works problem, by setting up an artificial mechanism to represent rightsholders of unclaimed and orphan works. Because the rightsholders of orphan works are untraceable by definition, any attempt to represent them could be only achieved through a legal presumption and a mere fiction. Put bluntly, discussing whether the class is representative of orphan works rightsholders is a self-defeating argument. There cannot be representation of orphan works, because of the very orphaned nature of the works. Therefore, the Google settlement class could never represent orphan works' rightsholders, unless a fictitious legal presumption was set up to do so. The opinion does not directly tackle this problem. Most likely however, the court assumed that if such a legal presumption should be set up to free the use of orphan works, it was up to the legislative power to enact the appropriate legal solution.

Scope of Relief under Rule 23

In discussing the scope of relief under Rule 23, essentially, the decision tackled the very appropriateness of the settlement as a tool to achieve Google's goal. In line with the arguments earlier proposed by the DoJ,²⁷⁹ the Southern District of New York viewed the settlement as going "too far" to be compliant with Rule 23 of the Federal Rules of Civil Procedure.²⁸⁰ As noted at the beginning of this work,²⁸¹ authors and publishers challenged Google's scanning of entire books without permission in order to display *de minimis* snippets of copyrighted works. In contrast, the final arrangement included in the

277. *Authors Guild*, 770 F. Supp. 2d at 679-80, 684-85.

278. *Id.* at 680.

279. See DoJ Statement, *supra* note 177, at 7-8; See also Statement of Interest of the United States regarding Proposed Amended Settlement Agreement at 2-3, *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666 (S.D.N.Y. 2011) (No. 05-CV-8136-DC) [hereinafter DoJ Statement 2], available at <http://www.justice.gov/atr/cases/f255000/255012.pdf> ("Despite this worthy goal, the United States has reluctantly concluded that use of the class-action mechanism in the manner proposed by the ASA is a bridge too far.").

280. *Authors Guild*, 770 F. Supp. 2d at 669.

281. See *supra* Part IV.

settlement would grant Google the right to exploit a large part of the scanned books in their entirety without the permission of copyright holders.²⁸² Namely, the settlement would have granted Google the right to exploit out-of-print orphan and unclaimed works, absent any permission from the untraceable author.²⁸³

As the opinion spelled out, “the case is about the scanning of books and the display of ‘snippets,’ while the ASA will release claims regarding the display and sale of entire books.”²⁸⁴ Further, Judge Chin observed that “[t]here was no allegation that Google was making full books available online, and the case was not about full access to copyrighted works. The case was about the use of an indexing and searching tool, not the sale of complete copyrighted works.”²⁸⁵ The proposed settlement, therefore, would depart from what the original case was about and “would transfer to Google certain rights in exchange for future and ongoing arrangements, including the sharing of future proceeds, and it would release Google (and others) from liability for certain future acts.”²⁸⁶ As the Court noted, Google did not scan the books to make them available for purchase but to create a database from which to extract relevant snippets and information.²⁸⁷ “Yet, the ASA would grant Google the right to sell full access to copyrighted works that it otherwise would have no right to exploit. The ASA would grant Google control over the digital commercialization of millions of books, including orphan books and other unclaimed works.”²⁸⁸

Judge Chin acknowledged the relevancy of the orphan work problem.²⁸⁹ Nevertheless, the settlement was not the appropriate tool to solve that problem. The solution should be left to the dominion of Congress, not private agreements or judicial decisions. In this respect, Judge Chin noted that “the establishment of a mechanism for exploiting unclaimed books is a matter more suited for Congress than this Court.”²⁹⁰ In particular, the Registry and the fiduciary for unclaimed works may be a concern, because they would represent the

282. See generally Amended Settlement Agreement, *supra* note 171.

283. *Id.*

284. *Authors Guild*, 770 F. Supp. 2d at 673.

285. *Id.* at 678.

286. *Id.* at 676.

287. *Id.* at 678.

288. *Id.* at 678-79.

289. *Id.* at 677.

290. *Id.*

interest of unregistered rightsholders who did not opt out.²⁹¹ The judge confirmed that “[t]he question[] of who should be entrusted with guardianship over orphan books” is more appropriately decided by Congress.²⁹² The Supreme Court seems to largely support the conclusion that any copyright reform is beyond the responsibility of courts and should be left to the Congress.²⁹³

Together with the consistency of the settlement with Rule 23, the opinion specifically discussed the many copyright, competition, privacy and international law objections submitted by the class in response to the settlement. In Judge Chin’s opinion, Google’s actions would be in blatant violation of copyright law, competition law, and international law, however the privacy concerns would not be a basis to reject the settlement.

Copyright Concerns

A large number of objectors argue that the settlement interferes with the proper scope of rights granted by copyright law. Google would be immune from suit for what the filing parties believe to be infringing activity.²⁹⁴ Additionally, the Registry would be entitled to negotiate with Google on behalf of rightsholders who do not opt out from the settlement.²⁹⁵ Objectors to the settlement summed up their concerns by contending that:

[J]udicial approval of the ASA would infringe on Congress’s constitutional authority over copyright law. They contend further that the provisions of the ASA pertaining to “orphan works” *would result in the involuntary transfer of copyrights* in violation of the Copyright Act, as copyrighted works would be licensed without the owners’ consent.²⁹⁶

The opinion upheld this argument. The settlement would infringe Section 201(e) of the Copyright Act,²⁹⁷ by proposing “to expropriate

291. *Id.*

292. *Id.*

293. *Id.* (citing *Eldred v. Ashcroft*, 537 U.S. 186, 212 (2003); *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 628-29 (1997); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984)). *See also* Samuelson, *Copyright Reform*, *supra* note 29, at 515-516.

294. *Butler*, *supra* note 170, at 3 n.6.

295. *See Authors Guild*, 770 F. Supp. 2d at 680.

296. *Id.* at 673 (emphasis added).

297. 17 U.S.C. § 201(e) (2006).

When an individual author’s ownership of a copyright, or of any of the exclusive rights under a copyright, has not previously been transferred voluntarily by that individual author, no action by any governmental body or other official or

rights of individuals involuntarily.”²⁹⁸ Further, the Court added “under the ASA, however, if copyright owners sit back and do nothing, they lose their rights . . . even as to future infringing conduct.”²⁹⁹ The opinion recites numerous examples of authors’ concerns submitted to the court. One is reported to have noted: “I do not want my books to be digitized.”³⁰⁰ Another voiced the concern that her works may be used to “vilif[y] the wildlife I spent my life trying to help the public come to understand and protect.”³⁰¹ Some, again, pointed out their belief “in the integrity of copyright.”³⁰² As reported by the opinion, a granddaughter objected that her deceased grandfather self-published a memoir that from Google’s point of view would be an “orphaned work”; however from her family’s point of view, the book “is not orphaned at all.”³⁰³

Part of the court’s argument and the list of examples puzzles me. First I am confused by the conclusion that the opt-out policy would not preserve authors’ rights because “there are likely to be many authors—including those whose works will not be scanned by Google until some years in the future—who will simply not know to come forward.”³⁰⁴ If the notice is robust enough, as the court said it was, this argument should have no merit. Notice was given and reached the interested parties. Because the settlement applies only to books published as of January 5, 2009, if you are an author by that date, you already know to come forward, regardless if your works were already scanned or will be scanned by Google in the future.

As per the core of the court’s copyright discussion, some doubts could be cast on the claimed copyright expropriation if we look at the arrangement set up by the amended settlement. First, rightsholders may opt out altogether.³⁰⁵ At any time rightsholders may ask Google not to digitize any books not yet digitized.³⁰⁶ In any event,

organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright, or any of the exclusive rights under the copyright, shall be given effect under this title, except as provided under title 11.

Id.

298. *Authors Guild*, 770 F. Supp. 2d at 680.

299. *Id.* at 681.

300. *Id.*

301. *Id.*

302. *Id.*

303. *Id.* at 681-82.

304. *Id.* at 682.

305. *See Amended Settlement Agreement*, *supra* note 171, § 1.134.

306. *Id.* § 3.5(a)(i).

rightsholders may request removal of a book already digitized.³⁰⁷ These options should solve the concern of authors unwilling to have their works digitized, should these concerns have any constitutional merit, as I will discuss later. Further, at any time, the rightsholders can opt out from any of the uses of their books, if they deem them inappropriate.³⁰⁸ In the worst case scenario, Google books will only make display uses of works. It is difficult to foresee how the message included in the works of an author may be vilified or the author's moral rights infringed, absent any derivative use of the unclaimed works. If advertising is perceived as vilification of an author's work; under the settlement, rightsholders would have the right to direct Google not to include any advertising in their books.³⁰⁹

Meanwhile, a Registry is also set up to administer revenues for uses of unclaimed works.³¹⁰ Additionally, the Registry will include a fiduciary to represent the interest of authors of unclaimed works.³¹¹ The Registry is supposed to hold revenues on behalf of authors who did not claim their works.³¹² After five years, part of the unclaimed works revenues will be used to locate the authors.³¹³ This arrangement does not diminish the economic rights of any potential rightsholders. In contrast, the economic rights related to unclaimed works will be maximized by Google books use and the Registry administration. Google books will render potentially profitable works that otherwise will be inaccessible and unprofitable. Indeed, the provision enabling Google to ask the Court to distribute revenues from unclaimed works to nonprofit or governmental organizations after 10 years should be readjusted to guarantee the full enjoyment of the economic rights of the unclaimed works' authors.

It is undeniable that the opt-out arrangement turns around the traditional copyright management rule. However, it is debatable whether the arrangement included in the amended settlement is

307. *Id.* However, as a matter of fact, the settlement poses a limitation to the right to remove digitized works that the District Court opinion does not mention. Under § 3.5 (a)(iii) of the Amended Settlement, the right of removal is limited to requests made on or before April 5, 2011 for certain classes of removals or on or before March 9, 2012 for other classes of removals. This provision would prove a relevant obstacle to the free and unrestrained enjoyment of authors' exclusive rights. Nevertheless, the limitation to the right of removal could be easily eliminated in the settlement. *Id.* § 3.5(a)(iii).

308. *Id.* § 3.5(b).

309. *Id.* § 3.10(c)(iii).

310. *Id.* § 6.3(a)(i)(1).

311. *Id.* § 6.2(b)(iii).

312. *Id.* § 6.3(a)(i)(1).

313. *Id.* § 6.3(a)(i)(2).

conducive to any expropriation or loss of copyright. In particular, it is disputable that there is any loss of rights that “is incongruous with the purpose of the copyright laws.”³¹⁴ As endorsed by the United States Constitution, the protection of authors’ rights in the United States is the outcome of a delicate balance between authors’ exclusive rights and the promotion of progress, to be implemented by the wider circulation of knowledge.³¹⁵ This unique U.S. arrangement is a consequence of the endorsement of the utilitarian theories as a rationale for copyright protection. The concept was powerfully expressed by Thomas Jefferson in his letter to McPherson:

If nature has made any one thing less susceptible than all others of exclusive property, it is the action of the thinking power called an idea He who receives an idea from me, receives instruction himself without lessening mine; as he who lights his taper at mine, receives light without darkening me.³¹⁶

Jefferson concluded by saying that intellectual property rights might be necessary and “society may give an exclusive right to the profit arising from [inventions] as an encouragement to men to pursue ideas which may produce utility.”³¹⁷ The mentioned constitutional underpinnings of copyright law may shed a different light on the perception that the settlement “is incongruous with the purpose of the copyright laws”, as stated by the court.³¹⁸ As a matter of fact, the arrangement included in the settlement fully satisfied the constitutional mandate. On one hand, the authors are fully compensated for their works, even beyond their intentions and capacities to maximize their works’ revenue. On the other hand, the settlement achieves the primary constitutional goal of copyright law by promoting circulation of knowledge and progress.

Antitrust Concerns

Many concerns regarding competition were raised by the objections filed against the settlement and the amended settlement.³¹⁹

314. See *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666, 682 (S.D.N.Y. 2011).

315. U.S. CONST. art. I, § 8, cl. 8.

316. Letter from Thomas Jefferson to Isaac McPherson (Aug. 13, 1813), in *THE WRITINGS OF THOMAS JEFFERSON*, 1813, at 235 (Andrew A. Lipscomb & Albert Ellery Bergh eds., 1905).

317. *Id.*

318. *Authors Guild*, 770 F. Supp. 2d at 682.

319. See, e.g., DOJ Statement, *supra* note 177, at 17-23; Randal C. Picker, *Assessing Competition Issues in the Amended Google Book Search Settlement* (U. of Chi. Law & Econ., Olin Working Paper No. 499, 2009), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1507172&.

Again, the court opinion fully endorsed the core of the DoJ antitrust contentions by upholding the idea that the settlement “would give Google a de facto monopoly over unclaimed works.”³²⁰ The de facto monopoly would result from the massive digitization of books carried out by Google without permission.³²¹ However, the court fails to explain their reasoning on this point.

Most likely, the court is referring to the more articulated discussion included in the latest statement from the U.S. Department of Justice. In view of the DoJ, Google’s competitors are unlikely to obtain comparable rights independently.³²² Though, under the settlement, the authorizations granted to Google are non-exclusive and the rightsholders, through the Registry or otherwise, have the right to authorize direct competitors of Google, even at better terms, to use digitized copies of books in any way, the competitors would be unable to secure the rights for orphan works, absent a new class action.³²³ However, the open possibility of prompting a new class action does not render the settlement competitive. As the DoJ noted “[t]he suggestion that a competitor should follow Google’s lead by copying books en masse without permission in the hope of prompting a class action suit to be settled on terms comparable to the ASA is poor public policy and not something the antitrust laws require a competitor to do.”³²⁴ This argument is sound; however, it is redundant and irrelevant. The de facto monopoly argument may stand only if the settlement has already been rejected because the plaintiffs, and the Registry to be created, are not representative of the class. In contrast, if the settlement were approved and the Registry were representative of the entire class, including those authors who do not come forward to claim their works, Google competitors could obtain a license to digitize and sell orphan works from the Registry under the same or better terms than Google.³²⁵ Under this scenario, Google’s competitors would not need to prompt any class action to enter into the same business venture as the one negotiated by Google. As a matter of fact, Google competitors could free ride on Google’s legal and business audacity. Google competitors would not have to face any of the legal costs and risk management that Google had to face

320. *Authors Guild*, 770 F. Supp. 2d at 682.

321. *Id.*

322. See DoJ Statement 2, *supra* note 279, at 21.

323. *Id.*

324. *Id.*

325. See *id.* at 25.

since the beginning of the project.

Finally, in discussing antitrust concerns, the Court did not mention the question regarding pricing raised by the DoJ. Most likely, the silence on the matter is due to the fact that, as Professor Picker noted, pricing questions “are serious and substantial issues but not issues that need to be resolved in advance of implementation of the agreement.”³²⁶

Privacy Concerns

Several filings argued that the Settlement would endanger Google books’ users by providing inadequate protection for privacy and academic freedom.³²⁷ Objecting parties are concerned that Google has commercial incentives to store and process data on what you read, how long you read it, and to serve users with ads that may be appropriate given their searching habits.³²⁸ However, Judge Chin did not deem the privacy concerns to be a valid ground of rejection.³²⁹

International Law Concerns and Beyond

The amended settlement narrowed the definition of the class by excluding most of the foreign authors.³³⁰ The final version of the settlement applied to works registered with the Copyright Office or published in the United States, United Kingdom, Australia or Canada.³³¹ Nevertheless, several foreign rightsholders still raised objections to the amended settlement, because many foreign books were registered in the United States.³³² In particular, foreign rightsholders and nations have noted the settlement is inconsistent with the Berne Convention, the Trade-Related Aspects of Intellectual Property Rights (“TRIPs”) Agreement, international trade agreements and other pieces of international legislation.³³³ Compliance with

326. Randal C. Picker, *Moving Forward in Google Book Search*, THE MEDIA INSTITUTE (Feb. 10, 2010), http://www.mediainstitute.org/new_site/IPI/2010/021010_MovingForwardGoogle.php.

327. See, e.g., Butler, *supra* note 170, at 3 n.7.

328. See *id.* at 8 n.19.

329. Authors Guild v. Google, Inc., 770 F. Supp. 2d 666, 683 (S.D.N.Y. 2011).

330. Compare Amended Settlement Agreement, *supra* note 171, §§ 1.13, 1.19, with Settlement Agreement, *supra* note 166, §§ 1.16, 1.142.

331. Amended Settlement Agreement, *supra* note 171, § 1.19.

332. See, e.g., Objections of Carl H. Verlag et al., Authors Guild v. Google, Inc., 770 F. Supp. 2d 666 (S.D.N.Y. 2011) (No. 05-CV-8136-DC).

333. See Jennifer Suzanne Bresson Bisk, *Book Search Is Beautiful?: An Analysis of Whether Google Book Search Violates International Copyright Law*, 17 ALB. L.J. SCI. & TECH. 271, 305-310 (2007).

article 9(2)³³⁴ and 10(1)³³⁵ of the Berne Convention, and therefore TRIPs, was the focus of several objections. Additionally, the principles of “national treatment”³³⁶ and “most favoured nation”³³⁷ may trigger the reaction of other Members to try to enforce TRIPs through the WTO. These objections were significant enough for the court to reject the settlement, because “[t]he fact that other nations object to the ASA, contending that it would violate international principles and treaties, is yet another reason why the matter is best left to Congress.”³³⁸

Ultimately, Judge Chin felt that the questions at issue should be handled by Congress because the courts are an inadequate forum to resolve these problems.³³⁹ Indeed, the argument that private parties or courts are not entitled to undertake “copyright reform,” is straightforward.³⁴⁰ However, though I acknowledge the force of the argument reserving copyright reform to the Congress, I also note that the implementation of the black letter law in this case may be at odds with the Constitution to an extent never tested before. Quite uniquely, the application of copyright law would impede a business arrangement that fully compensates authors, while enhancing wider circulation of knowledge. Moreover, remanding the matter to Congress does not mean that a solution will be provided any time soon. Congress has tried and failed repeatedly to find consensus over orphan work legislation.

334. Berne Convention for the Protection of Literary and Artistic Works art. 9(2), Sept. 9, 1886, *last revised* July 24, 1971, *amended* Sept. 28, 1979, 1161 U.N.T.S. 31.

It shall be a matter for legislation in the countries of the Union to permit the reproduction of such [protected literary and artistic] works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

Id.

335. *Id.* at art. 10(1) (Article 10(1) requires Berne member countries to permit “quotations from a work which has already been lawfully made available to the public, provided that their making is compatible with fair practice, and their extent does not exceed that justified by the purpose, including quotations from newspaper articles and periodicals in the form of press summaries.”).

336. *Id.* at art. 5; Agreement on Trade-Related Aspects of Intellectual Property Rights art. 3, Apr. 15, 1994, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPs] (“Each member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property.”).

337. See TRIPs, *supra* note 336, at art. 4 (“any . . . privilege . . . granted by a Member to the nationals of any other country shall be accorded . . . to the nationals of all other Members.”).

338. Authors Guild v. Google, Inc., 770 F. Supp. 2d 666, 685-86 (S.D.N.Y. 2011).

339. *Id.*

340. See Samuelson, *Copyright Reform*, *supra* note 29, at 482-83.

The rejection of the settlement presents several scenarios. First, the litigation and the fair use discussion I mentioned before may be revived. If the arrangement provided by the settlement collapsed in its entirety, publishers and authors may go back to court and challenge the scanning of entire works operated by Google to set up the Google books database. In any event, all the parties that opted out from the amendment may sue Google independently. However, at this stage, it is unlikely that authors and publishers would be willing to litigate the matter over again. As detailed earlier, whether Google's intermediate copying falls under fair use may be difficult to determine. The odds are that publishers, authors, and Google will try to work out some modified arrangement to keep their new business partnership in place.

Second, the parties may submit a new amended settlement that is more limited in scope. This option was left expressly open by the judge arguing that, "[a]s the United States and other objectors have noted, many of the concerns raised in the objections would be ameliorated if the ASA were converted from an "opt-out" settlement to an "opt-in settlement."³⁴¹ At this stage, the option of narrowing the scope of the settlement is the most likely, as already indicated by a statement from the Association of American Publishers:

[The decision of U.S. District Court Judge Denny Chin] provides clear guidance to all parties as to what modifications are necessary for its approval. The publisher plaintiffs are prepared to enter into a narrower Settlement along those lines to take advantage of its groundbreaking opportunities. We hope the other parties will do so as well.³⁴²

However, Judge Chin's suggestion that the parties come up with an opt-in solution does not seem satisfactory. This option will redress the blatant inconsistency of the Google books settlement with the fundamental tenets of the present copyright law, however much of the added public interest value of the project will be lost. Nevertheless, switching to an opt-in arrangement is the only option left to Google and rightsholders to have the settlement approved at this stage. If Google does not intend to surrender its opt-out business model, however, the parties may appeal the rejection of the settlement. How realistic an appeal is, it is difficult to say at the moment. So far, the Google books platform only recites:

341. *Authors Guild*, 770 F. Supp. 2d at 686.

342. Press Release, Association of American Publishers, Publishers Remain Committed to Expanding Online Access to Books and Upholding Copyright Despite Court Decision (Mar. 22, 2011), available at <http://publishers.org/press/29/>.

This is clearly disappointing, but we'll review the Court's decision and consider our options. Like many others, we believe this agreement has the potential to open-up access to millions of books that are currently hard to find in the US today. Regardless of the outcome, we'll continue to work to make more of the world's books discoverable online through Google Books and Google eBooks.³⁴³

VII. COPYRIGHT, TECHNOLOGICAL ADVANCEMENT AND HOLD-OUT POWER

Regardless of the final outcome of the Google books case, the history of the project conforms to the recent history of copyright expansion; especially when adjustment to technological advancement comes into play. Property owners repeatedly try to leverage their hold-out power to block progress.³⁴⁴ This behavior applies to property at large,³⁴⁵ but it is especially common in the recent history of copyright ownership. Innovative technologies, such as piano rolls, tape recorders, the radio, VHS recorders, cable television, and peer-to-peer software,³⁴⁶ have been challenged in the past years in an attempt by the cultural conglomerates to gain control.³⁴⁷ The aggressive litigation posture of copyright holders has been facilitated by the inherent complexity and unpredictability of fair use decisions in the United States. Fair use has been derided by the Second Circuit as "the most troublesome doctrine in the whole of copyright."³⁴⁸ As modern history of copyright in the United States has witnessed, too often fair use unpredictability has promoted a struggle for control over new technological innovations.³⁴⁹ The danger lies in that the

343. Hilary Ware, *Google Books Settlement Agreement*, GOOGLE BOOKS (Mar. 22, 2011), <http://books.google.com/googlebooks/agreement> (page no longer available).

344. See Travis, *supra* note 5, at 786.

345. See Carol Rose, *The Comedy of the Commons: Custom, Commerce, and Inherently Public Property*, 53 U. CHI. L. REV. 711, 749-50, 752 (1986) (discussing how large public projects such as highways or railroads are vulnerable to the hold-out power of single property owners).

346. See, e.g., *White-Smith Music Publ'g Co. v. Apollo Co.*, 209 U.S. 1 (1908); *Amstrad Consumer Elecs. plc v. British Phonographic Indus. Ltd.*, (1986) 12 F.S.R. 159 (UKHL); *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151 (1975); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984); *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390 (1968); *Metro-Goldwyn-Mayer Studios Inc. v. Gorkster, Ltd.*, 545 U.S. 913 (2005); *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004 (9th Cir. 2001).

347. See Travis, *supra* note 5, at 786-792 (sketching a quick history of hold outs on cultural technological advancements).

348. *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661, 662 (2d Cir. 1939) (per curiam).

349. See generally Brian D. Johnston, Note, *Rethinking Copyright's Treatment of New*

aggressive litigation posture of copyright holders and media conglomerates, coupled with the inherently uncertain outcome of any fair use judicial review, may prevent new technologies and business models to emerge.

Traditionally, new technologies have been opposed by dominant market players in fear that their market share could be eroded by the new comers.³⁵⁰ However, the tension between copyright and innovation has also been translated into more aggressive practices. In many instances, the rightsholders hold-out power serves the business agenda of appropriating part of the economic benefit of technological advancement, regardless of any economic loss that traditional business models may have suffered as a consequence of innovation.

As noted earlier when discussing the market analysis factor of fair use in the Google books case,³⁵¹ although the Google project may have benefited the rightsholders, nevertheless they have moved forward to obtain a larger share of the revenues produced by the new technology. If we look carefully, this is the same logic that brought about the *Sony*³⁵² case. In both instances, a supposedly beneficial technology for the copyright holders was challenged as a tool that may have nefarious effect on the market for copyrighted content. At the time of the *Sony* case, Jack Valenti, the MPAA President, stated quite boldly before the Congress that “the VCR is to the American film producer and the American public as the Boston strangler is to the woman home alone.”³⁵³ In stark contrast to that statement, the video rental market has contributed significantly to the present fortunes of the movie industry. The Authors Guild and the Publishers Association today, the recording and movie industry in the past, all reacted similarly to the emergence of a new technology. The copyrights holders felt entitled to share part of the profits from those technologies, under the assumption that those technologies allowed easier copying. That assumption was generally rejected by the courts, in particular by the landmark *Sony* decision valuing public interest to

Technology: Strategic Obsolescence As a Catalyst for Interest Group Compromise, 64 N.Y.U. ANN. SURV. AM. L. 165, 189 (2008); Robin A. Moore, Note, *Fair Use and Innovation Policy*, 82 N.Y.U. L. REV. 944 (2007).

350. See Travis, *supra* note 5, at 786-792.

351. See *supra* pp. 103-04.

352. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).

353. *Home Recording of Copyrighted Works: Hearings Before the Subcomm. on Courts, Civil Liberties, and the Admin. of Justice of the H. Comm. on the Judiciary*, 97th Cong. 97 (1982) (statement of Jack Valenti, president, Motion Picture Ass’n of Am., Inc.) available at <http://cryptome.org/hrcw-hear.htm>.

dissemination and access to creative works above private interests.

However, the Google books case may set a milestone in the recent history of the dysfunctional relationships between copyright and technological innovation. The tension between copyright and innovation has produced some nefarious effects on our cultural ecosystem, however never to the extent of crippling the interests of all the players involved. In the Google books case, copyright dogmatism stands against the interests of the rightsholders, the innovators and the public at large. Today, copyright strictures may be partially preventing the success of projects that would compensate authors, even beyond their capacity to maximize returns from their creative efforts. Further, the project would propel a new business model and reward the innovator. Last, but not least, the public interest would be greatly enhanced by fostering circulation of culture, especially distribution of creative works that are so far extremely difficult or impossible to find. At least in the United States the practical results of applying the black letter copyright law to this case may be at odds with the Constitution to an extent never before tested.

VIII. BEYOND GOOGLE BOOKS: A WORLD DIGITAL PUBLIC LIBRARY

Together with the mentioned dysfunctional relationship between copyright and innovation, the settlement and the history of the Google books project has confirmed a well-established trend toward propertization and privatization of culture. The Google settlement embodied the idea that the best way to promote knowledge and culture is “to extend rights into every corner where consumers derive value from literary and artistic works.”³⁵⁴ In doing so, the Google books endeavor propels a process of privatization of memory institutions. As Guy Pessach noted:

The transformation from tangible or analog preservation to digitized cultural retrieval tends to result in partial and gradual privatization of society’s memory institutions. . . . Privatization of memory institutions thus marks a shift from the centrality of the political and civic spheres in the construction of cultural/social memories to the centrality of markets in this context.³⁵⁵

Many, however, have been warning of the dangers of this privatization or, in this particular instance, “googlization” of

354. PAUL GOLDSTEIN, COPYRIGHT’S HIGHWAY: FROM GUTENBERG TO THE CELESTIAL JUKEBOX 236 (1994).

355. Guy Pessach, *[Networked] Memory Institutions: Social Remembering, Privatization and Its Discontents*, 26 CARDOZO ARTS & ENT. L.J. 71, 73 (2008).

everything.³⁵⁶ As seen, the Google settlement raised several objections that challenged the idea of privatizing memory institutions. As Professor Zimmerman noted, “simply relying on the market is unlikely to serve the interest of the public in the full range of potential benefits that could flow from digital archiving.”³⁵⁷ Preservation projects solely endorsed by private parties will necessarily be guided by financial concerns. On one hand, if preservation is not profitable, private parties will minimize or abandon altogether the projects. On the other hand, purely commercial archives may impose serious impediments to public access, including access to public domain works, if the commercial entity is the sole holder of the original copy of the work.³⁵⁸

Moreover, the privatization of memory institutions may have unexpected effects on freedom of expression and cultural diversity because, “the power to remember, as well as the power to forget, are thus gradually being concentrated in clusters of commercial enterprises with very particular interests, beliefs, ideologies, and preferences.”³⁵⁹ Hence, privatization may jeopardize both active and passive freedom of speech by tainting the democratic function of memory institutions. Traditionally, public non-profit memory institutions provide individuals with as many diverse cultural works from the past as possible to participate in the modern cultural discourse.³⁶⁰ So to speak, memory institutions draw words from the past to let the present talk to the future.

Additionally, the restriction of the scope of the Google books project to books that were either registered with the U.S. Copyright Office or published in the U.K., Australia, or Canada is particularly troubling.³⁶¹ This arrangement intensified the initial concern that the Google project may propel a new form of linguistic and cultural imperialism, especially escalating “the predominantly North-to-South flow of culture, value and information.”³⁶² If the South is most likely

356. See Siva Vaidhyanathan, *The Googlization of Everything and the Future of Copyright*, 40 U.C. DAVIS L. REV. 1207, 1220-1221 (2007).

357. Zimmerman, *supra* note 40, at 1010; see also *id.* at 1005-1011 (discussing the limits of conservation directly endorsed by the copyright holders or performed by licensee preservationists).

358. *Id.* at 1009-10.

359. Pessach, *supra* note 353, at 126.

360. See *id.* at 108-14.

361. See Amended Settlement Agreement, *supra* note 171, § 1.19.

362. Alan Story, *Creating the Google Domain: A Critical Assessment of Google's Book Search Scheme*, COPY/SOUTH (June 28-30, 2010), at 16,

helpless against the Google books' weapons of cultural diversity mass destruction, then to a certain extent European cultural distinctiveness is also at risk. The concerns over the privatization of memory institutions were very present in the European debate over the Google settlement.³⁶³ In this regard, the objections of continental European countries have led to the restriction of the scope of the settlement class that now includes only a few English speaking countries. Beyond the competition and copyright concerns mentioned earlier, Europeans seem to believe that control over national and international cultural heritage should not be left to a private company.³⁶⁴

To that end, the European Commission has its own plan to digitize books called Europeana. As part of the i2010 policy strategy,³⁶⁵ the European Union launched the Europeana digital library network, to digitize Europe's cultural and scientific heritage. Europeana is intended to be a Europe wide digital public library.³⁶⁶ So far, however, digitization of the holding in national libraries across the 27 EU member states has been slowed down also because of complex copyright law across the region. As mentioned earlier, the ARROW project aims in particular to support the European Community i2010 Digital Library Project and Europeana by creating registries of rights information and orphan works.³⁶⁷

In partial response to the Google project, and to the fear of Europe being left behind in education and research, on September 7, 2009, a joint statement of the commissioners for the information society, Viviane Reding, and the internal market, Charlie McCreevy, launched a campaign to standardize authors' rights across Europe and boost digitization of books through public-private partnerships.³⁶⁸ As

http://copysouth.org/portal/sites/default/files/STORY%20Alan_Google%20Books%20EN.pdf.

363. *Citizen's Summary: Commission Communication on Copyright in the Knowledge Economy*, EUROPEAN COMMISSION (Oct. 19, 2009), http://ec.europa.eu/internal_market/copyright/docs/copyright-info/citizens_summary16102009_en.pdf [hereinafter *Citizen's Summary*].

364. *See id.*

365. *See Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, i2010 – A European Information Society for Growth and Employment*, COM (2005) 229 final (June 1, 2005), available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0229:FIN:EN:PDF>.

366. *See EUROPEANA*, *supra* note 7.

367. *See Arrow*, *supra* note 58.

368. Viviane Reding & Charlie McCreevy, *It is Time for Europe to Turn Over a New Leaf on Digital Books and Copyright*, EUROPA PRESS RELEASES (Sept. 7, 2009), <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/09/376> (joint statement of EU commissioners Reding and McCreevy on Google books meetings in Brussels).

part of this campaign, the Commission issued a *Communication On Copyright In The Knowledge Economy*, noting that “[t]he creation of mega digital libraries and bookstores such as the one being spearheaded by Google has only reinforced the urgency for Europe to ensure that its rich cultural heritage and intellectual creation is make [sic] available to researchers, scholars, consumers and the public at large.”³⁶⁹

Additionally, the European Commission set up the High Level Expert Group on Digital Libraries, led by Professor Ricolfi, to advise on the European digitization process.³⁷⁰ The High Level Expert Group tackled the key challenges of digital preservation, web harvesting, orphan works, and out of print works.³⁷¹ In addition, the High Level Expert Group defined the guidelines for public-private partnership for digitization, online accessibility and digital preservation of Europe’s collective memory.³⁷²

In accordance with the goals of the Europe 2020 Strategy,³⁷³ the digitization of the European cultural heritage and digital libraries are key aspects of the recently implemented Digital Agenda of the European Union. The Digital Agenda notes that “[f]ragmentation and complexity in the current licensing system also hinders the digitisation of a large part of Europe’s recent cultural heritage.”³⁷⁴ Therefore, the Digital Agenda also calls for a simplification of copyright clearance, management and cross-licensing.³⁷⁵ In particular, the European Commission should create a legal framework to facilitate the digitization and dissemination of cultural works in

369. *Citizen’s Summary*, *supra* note 363.

370. See Tarja Koskinen-Olsson, *Digital Libraries: Collective Administration for Online Libraries – a Rightsholders’ Dream or an Outdated Illusion?*, in *GLOBAL COPYRIGHT: THREE HUNDRED YEARS SINCE THE STATUTE OF ANNE, FROM 1709 TO CYBERSPACE* 252, 253-55 (Lionel Bently et al. eds., 2010) (reviewing European digitization and right clearance initiatives).

371. See Marco Ricolfi et al., *Report on Digital Preservation, Orphan Works and Out-of-Print Works. Selected Implementation Issues*, EUROPEAN COMMISSION INFORMATION SOCIETY (Apr. 18, 2007), http://ec.europa.eu/information_society/newsroom/cf/itemlongdetail.cfm?item_id=3366.

372. See Dame Lynne Brindley et al., *Final Report on Public Private Partnerships for the Digitisation and Online Accessibility of Europe’s Cultural Heritage*, EUROPEAN COMMISSION INFORMATION SOCIETY (May 2008), ec.europa.eu/information_society/activities/digital_libraries/doc/hleg/reports/ppp/ppp_final.pdf.

373. See *Communication from the Commission, Europe 2020: A Strategy for Smart, Sustainable and Inclusive Growth*, at 6, COM (2010) 2020 final (Mar. 3, 2010), available at http://europa.eu/press_room/pdf/complet_en_barroso___007_-_europe_2020_-_en_version.pdf.

374. See *Digital Agenda*, *supra* note 50, at 30.

375. *Id.* at 9.

Europe by proposing a directive on orphan works.³⁷⁶ Additionally, Europeana should be strengthened, and increased public funding is needed to finance large-scale digitization, alongside initiatives with private partners.³⁷⁷ Finally, funding to digitization projects should be conditioned upon general accessibility of Europe's digitized common cultural heritage online.³⁷⁸

Together with the Commission's digitization projects, several national libraries have recently undertaken digitization endeavors across Europe. This is the case of the National Library of Norway and the National Library of Netherlands, which planned to scan all Dutch books, newspapers and periodicals from 1470 onward.³⁷⁹ Additionally, several European national libraries have signed agreements with Google to host on their sites digital copies of out-of-copyright books in their own holdings that have been scanned as part of the Google books project.³⁸⁰ The libraries also have the right to make those scans available on public educational sites like Europeana.³⁸¹

The creation of a public digital library versus the private model offered by Google has been widely discussed also in the United States. Robert Darnton, the über-librarian of Harvard, repeatedly called for the creation of a national digital library, despite acknowledging the difficulties of a public effort to digitize and connect all material into a single resource.³⁸² Darnton pointed out that

[s]imple as it sounds, the question is extraordinarily complex. It involves issues that concern the nature of the library to be built, the technological difficulties of designing it, the legal obstacles to getting it off the ground, the financial costs of constructing and

376. *Id.* at 9, 37.

377. *Id.* at 30.

378. *Id.*

379. Google Agreement, KONINKLIJKE BIBLIOTHEEK, <http://www.kb.nl/hrd/digitalisering/google/index-en.html> (last visited Oct. 23, 2011).

380. See, e.g., Den Haag, *Koninklijke Bibliotheek and Google Sign Book Digitisation Agreement*, KONINKLIJKE BIBLIOTHEEK (July 4, 2010), <http://www.kb.nl/nieuws/2010/google-en.html>; *Austrian Books Online*, ÖSTERREICHISCHE NATIONALBIBLIOTHEK, <http://www.onb.ac.at/bibliothek/austrianbooksonline.htm> (last visited Oct. 23, 2011).

381. *Id.*

382. Robert Darnton, *Can We Create a National Digital Library?*, N.Y. REV. BOOKS (Oct. 28, 2010), <http://www.nybooks.com/articles/archives/2010/oct/28/can-we-create-national-digital-library> [hereinafter Darnton, *National Digital Library*]. See also Robert Darnton, *The Library: Three Jeremiads*, N.Y. REV. BOOKS (Dec. 23, 2010), <http://www.nybooks.com/articles/archives/2010/dec/23/library-three-jeremiads/?pagination=false>.

maintaining it, and the political problems of mobilizing support for it.³⁸³

The difficulties for the public in tackling a mass digitization project are considerable.³⁸⁴ Most prominently, the public may be incapable of raising the necessary funds for such a project. In particular, the current global economy may render the case for allocating financial support for digitization projects even more problematic. However, digital public libraries should build upon the many ongoing non-profit digitization and digital preservation projects. A very large number of projects are up and running across the planet, including the Library of Congress American Memory Project,³⁸⁵ the Online Books Page,³⁸⁶ the Hathi Trust Digital Library,³⁸⁷ Project Gutenberg,³⁸⁸ and the Million Books Project.³⁸⁹ Additionally, non-proprietary and open library projects extend beyond book repositories, such as the Internet Archive,³⁹⁰ or the International Music Score Library Project.³⁹¹ A public digital library should connect all these projects and offer a single access portal, together with a common policy for access and re-use. With the goal of implementing this strategy, the Berkman Center for Internet & Society is coordinating a digital public library initiative for public and private groups interested in creating a “digital public library of America.”³⁹²

383. Darnton, *National Digital Library*, *supra* note 382.

384. See Menell, *supra* note 4, at 1053.

385. *About American Memory, Mission and History*, THE LIBRARY OF CONGRESS, <http://memory.loc.gov/ammem/about/index.html> (last visited Oct. 23, 2011). This project seeks to create a national digital library through public initiative by digitizing recorded, print, and photographic media. *Id.* Despite the desire to use the Internet to create a digital library, the project has developed slowly due to budget issues. *Id.*

386. *The Online Books Page*, U. PA. LIBRARY, <http://onlinebooks.library.upenn.edu> (last visited Oct. 23, 2011). See also *Book Liberation with Open Data (or, How the Online Books Page Just Got Much Bigger)*, EVERYBODY'S LIBRARIES (Oct. 18, 2010), <http://everybodyslibraries.com/2010/10/18/book-liberation-with-open-data-or-how-the-online-books-page-just-got-much-bigger/>.

387. *Welcome to the Shared Digital Future*, HATHI TRUST DIGITAL LIBR., <http://www.hathitrust.org/about> (last visited Oct. 23, 2011).

388. *Free eBooks by Project Gutenberg*, PROJECT GUTENBERG, http://www.gutenberg.org/wiki/Main_Page (last visited Oct. 23, 2011).

389. Title Search Page, THE UNIVERSAL DIGITAL LIBR. MILLION BOOK COLLECTION, <http://www.ulib.org> (last visited Oct. 23, 2011).

390. Portal Page, INTERNET ARCHIVE, <http://www.archive.org> (last visited Oct. 23, 2011).

391. Portal Page, INTERNATIONAL MUSIC SCORE LIBRARY PROJECT (IMSLP), <http://imslp.org> (last visited Oct. 23, 2011).

392. See *Berkman Center Announces Digital Public Library Planning Initiative*, BERKMAN CENTER FOR INTERNET & SOC'Y (Dec. 13, 2010),

Additionally, the public has the capacity of changing the law to meet its vision and needs. A public digitization project must tackle the orphan works problem first. In order not to lag behind private projects and suffer from negative network effects, any effort to create a digital public library should strive for a project that can fully unlock the riches of digitization to society at large. To that end, a digital public library must be capable of including orphan works as well as access to information, sampling, and purchase of copyrighted in-print and out-of-print material.

Public and private institutions are trying to catch up with Google in the digital library race.³⁹³ The rejection of the settlement was a heavy blow for Google's dream of building the digital library of Alexandria. However, regardless of the final outcome of the case still open to judicial review, Google's plans to create a universal repository of human knowledge may not change too much. Network effects, lead time, and lack of completeness will make it difficult for any national or regional digital public library project to compete with private endeavors such as Google's. Obviously, physical locations are irrelevant in the digital environment. Hence, national or regional digital libraries have no specific added value as such. They represent only the necessitated outcome of limited vision and lack of global political consensus. Conversely, this is not the case for a private project like Google books. Google's vision is "to organize the world's information and make it universally accessible and useful."³⁹⁴ Any digitization project that will settle for less than the entire world collection will hardly compete with Google books. Even if the opt out policy will be abandoned, the Google project would be far more inclusive than any other national or regional projects. Inclusiveness will be of essence in order to achieve the status of global standard in the context of digital memory institutions. The effect will be devastating for any other projects, because the most inclusive will get all the attention. One possible outcome is that taxpayer money and thousands of peoples' efforts will be wasted on a hardly-visited platform.

I do believe that private memory institutions should not have it all. However, if a public digital library is to be, it must make an effort

http://cyber.law.harvard.edu/newsroom/digital_public_library.

393. Natasha Singer, *Playing Catch-up in a Digital Library Race*, N.Y. TIMES, Jan. 9, 2011, at BU3, available at <http://www.nytimes.com/2011/01/09/business/09stream.html>.

394. *Why Google?*, GOOGLE, <http://www.google.com/enterprise/whygoogle.html> (last visited July 19, 2011).

not to be completely overshadowed by private projects. To that end, the only option is to share the same vision of universal comprehensiveness that the Google books project endorses. Difficult as it sounds, a public digital library should be a global concerted effort. Put it bluntly, we should create a World Digital Public Library. Consensus will be hard to reach, but not impossible. As Professor Zimmerman noted:

[T]he European example at least suggests that, as nations around the world come to realize the enormous potential benefits of digital preservation and access, a groundswell of support may rise up and make it possible for the international intellectual property community to make the changes in the balance between property interests and the public interest that are necessary to realize those benefits.³⁹⁵

The World Digital Public Library would be a unique portal that opens up access to digitized material that is collected through a global concerted effort. Consensus on the project should be reached at one international venue, such as WIPO or the United Nations Educational, Scientific and Cultural Organization (“UNESCO”). In discussing the practical operation of the project, parties must also come up with relevant solutions to the orphan works problem and other copyright hindrances to digitization projects. Unlike other general talks over orphan works at the international level, the discussion over a World Digital Public Library will allow looking for a narrow solution for a very specific purpose. Additionally, reaching consensus over limitations to copyright prerogatives for memory institutions should be considerably easier. Historically, public libraries have always enjoyed substantial privileges against copyrights.³⁹⁶ The public, nonprofit function of the library should ease up resistance from the copyright holders, at least in part.

But public censorship is as pernicious as private. Therefore, a World Digital Public Library should incorporate Internet 2.0 technologies in order to enable user mass participation. Users should be able to upload into the library database any missing public domain publications or even rare editions for which they own the original artifact. Like any wiki environment, users will upload a document and enter bibliographic information according to strictly enforced policy regulations. Notice and takedown procedures will regulate the

395. Zimmerman, *supra* note 40, at 1045.

396. See generally 17 U.S.C. § 108 (2006).

uploading of any allegedly infringing materials. Orphan works uploaded by the users of the World Digital Public Library should enjoy specific copyright exceptions. Upon further investigation, the same exceptions may be extended to out-of-print publications.

Finally, the library should strive to integrate with new models of open knowledge environments (“OKEs”) for digitally networked scientific communication, as described by Professor Paul Uhler.³⁹⁷ The OKEs would “bring the scholarly communication function back into the universities” through “the development of interactive portals focused on knowledge production and on collaborative research and educational opportunities in specific thematic areas.”³⁹⁸ The OKE model would build upon online peer production and participative web 2.0 environments and techniques, such as wikis, discussion forums, blogs, post publications reviews, and distributed computing, to stimulate discussions and contributions, together with semantic web technologies to increase the opportunities for automated knowledge generation, extraction and integration. In OKEs, the traditional scientific journal model would be transformed into a “truly interactive networked mechanism for integrated knowledge production, dissemination, and use.”³⁹⁹ Integration with thousands of public OKEs across the world would be a clear vantage point for a World Digital Public Library. The same integration would be far harder for private endeavors, such as Google. In this scenario, network effects could play a relevant role in favor of the public player.

Regretfully, I play the role of a new Cassandra,⁴⁰⁰ but I sense that even large regional projects like Europeana, or the newly envisioned Digital Public Library of America,⁴⁰¹ will succumb to Google books

397. See, e.g., Paul F. Uhler, *Revolution and Evolution in Scientific Communication: Moving from Restricted Dissemination of Publicly-Funded Knowledge to Open Knowledge Environments*, COMMUNIA (June 29, 2009), http://www.communia-project.eu/communiafiles/Conf%202009_P_Uhler_BS.pdf [hereinafter Uhler, *Revolution and Evolution in Scientific Communication*]; JEROME H. REICHMAN, TOM DEDEURWAERDERE, & PAUL F. UHLER, *DESIGNING THE MICROBIAL RESEARCH COMMONS: GLOBAL INTELLECTUAL PROPERTY STRATEGIES FOR ACCESSING, MANAGING, AND USING ESSENTIAL PUBLIC KNOWLEDGE ASSETS* (forthcoming 2011).

398. Uhler, *Revolution and Evolution in Scientific Communication*, *supra* note 397.

399. *Id.*

400. See KATHLEEN N. DALY, *GREEK AND ROMAN MYTHOLOGY A TO Z* 32 (Marian Rengel ed., 3d ed. 2009) (The Trojan princess Cassandra was cursed by Apollo with the gift of prophecy so that no one would ever believe her predictions; she is known as a prophet of doom because she warned the Trojans that the gift-horse of the Greeks was a trick and, later, once enslaved by Agamemnon, warned the king that his wife Clytemnestra would kill him. Neither the Trojans or Agamemnon believed her.).

401. See Robert Darnton, *Six Reasons Google Books Failed*, N.Y. REV. BOOKS (Mar. 28,

for all the reasons discussed above. Only a global, fully inclusive vision can compete with Google books. Adding some emphasis, only a public fully networked digital Library of Alexandria can compete with a private digital Library of Alexandria.

IX. CONCLUSIONS

The Google books case is a quintessential embodiment of the tension between copyright, technology and public interest.⁴⁰² The case exemplifies how technological development may be an extraordinary opportunity to enhance the public interest motive serving as a rationale for copyright law. Conversely, the case illustrates how the same technological development may heighten the tension with private property rights.

Though rightsholders have largely leveraged their hold-out power against technological innovation in the past; the Google books case may set a milestone in the recent history of the dysfunctional relationships between copyright and technological innovation. This time, copyright strictures seem to work equally against the common interests of the rightsholders, the developers of new technological solutions, and the public at large. The application of the black letter law in this case may be at odds with the Constitution at an extent never tested before. Quite uniquely, the application of copyright law would impede a business arrangement that fully compensates authors, even beyond their capacity to maximize profits, while enhancing wider circulation of knowledge. In this respect, the Google books case may be the extreme to be reached before Schumpeterian creative destruction can be unleashed.⁴⁰³

Robert Darnton has called the recent Google books decision, “a victory for the public good, preventing one company from monopolizing access to our common cultural heritage.”⁴⁰⁴ I disagree. Although I share with Professor Darnton the idea that the public good would be best served by a digital public library, so far, the public good is defeated. It will be defeated until an alternative that may be as

2011, 11:00 AM), <http://www.nybooks.com/blogs/nyrblog/2011/mar/28/six-reasons-google-books-failed>.

402. See Douglas Lichtman, *Copyright as Innovation Policy: Google Book Search from a Law and Economics Perspective*, 9 INNOVATION POLICY AND THE ECON. 55 (2008).

403. See JOSEPH A. SCHUMPETER, *CAPITALISM, SOCIALISM AND DEMOCRACY* 83 (Harper & Row 1976) (1942).

404. Robert Darnton, Op-Ed., *A Digital Library Better than Google's*, N.Y. TIMES, Mar. 24, 2011, at A31, available at http://www.nytimes.com/2011/03/24/opinion/24darnton.html?_r=2.

inclusive as the now rejected Google books project is provided. Indeed, the argument that private parties or courts are not entitled to undertake copyright reform is straightforward. However, Congress has tried and failed repeatedly to find consensus over orphan work legislation.⁴⁰⁵ Remanding the matter to Congress does not imply that a solution will be provided any time soon. To use the words of the DoJ, the opportunity or the momentum may be easily lost, if the business arrangement endorsed by the settlement is struck down and no agenda is set up to solve the orphan works problem within the context of digitization projects.⁴⁰⁶ Indeed, the dream of the digital Library of Alexandria, the universal repository of human knowledge, may be some distance away.

Much debate has swirled around the Google books project. Some have envisioned the project as the modern digital Library of Alexandria,⁴⁰⁷ others have decisively rejected that comparison.⁴⁰⁸ On the one hand, the Google books project shares with the Library of Alexandria the dream of universal comprehensiveness. On the other hand, the settlement has concerned many, especially the court that rejected it, for propelling a phenomenon of privatization of memory institutions and creating a monopoly on orphan works.⁴⁰⁹ Additionally, the settlement has introduced a partition between English and non-English culture that may entail a pernicious form of cultural imperialism. In this regard, the settlement has enlarged discrimination and isolation, instead of fostering the very goal of a digital Library of Alexandria that should realize that dream of pan-humanism that the "Great" founder of Alexandria had once envisioned.

An anecdote may shed some light on the fairness of that historical comparison. At the time of the ancient Library of Alexandria, to hasten assembling of the collection, King Ptolemy III decreed that all visitors to Alexandria surrendered books in their possession so that they could be copied for the library's archives.⁴¹⁰

405. See Glorioso, *supra* note 46, at 978-80; see also Samuelson, *Copyright Reform*, *supra* note 29, at 495-96.

406. See DoJ Statement, *supra* note 177, at 180-81.

407. See Sergey Brin, Op-Ed., *A Library to Last Forever*, N.Y. TIMES, Oct. 9, 2009, at A31.

408. See Pamela Samuelson, *Google Books Is Not a Library*, HUFFINGTON POST (Oct. 13, 2009, 12:38 AM), http://www.huffingtonpost.com/pamela-samuelson/google-books-is-not-a-lib_b_317518.html.

409. Picker, *supra* note 319.

410. See Andrew Erskine, *Culture and Power in Ptolemaic Egypt: The Museum and*

Only the copies, not the originals, were returned to the owners.⁴¹¹ Google seemed, at least, to be willing to keep the copies and return the originals. In contrast, the orphans taken to the Google books library might have been lost forever in its labyrinth of digital rooms, absent the recent judicial rejection of the settlement. A World Digital Public Library would be a far safer place to shelter the orphans.

Library of Alexandria, 42 GREECE & ROME 38, 39 (1995).

411. *Id.*

* * *